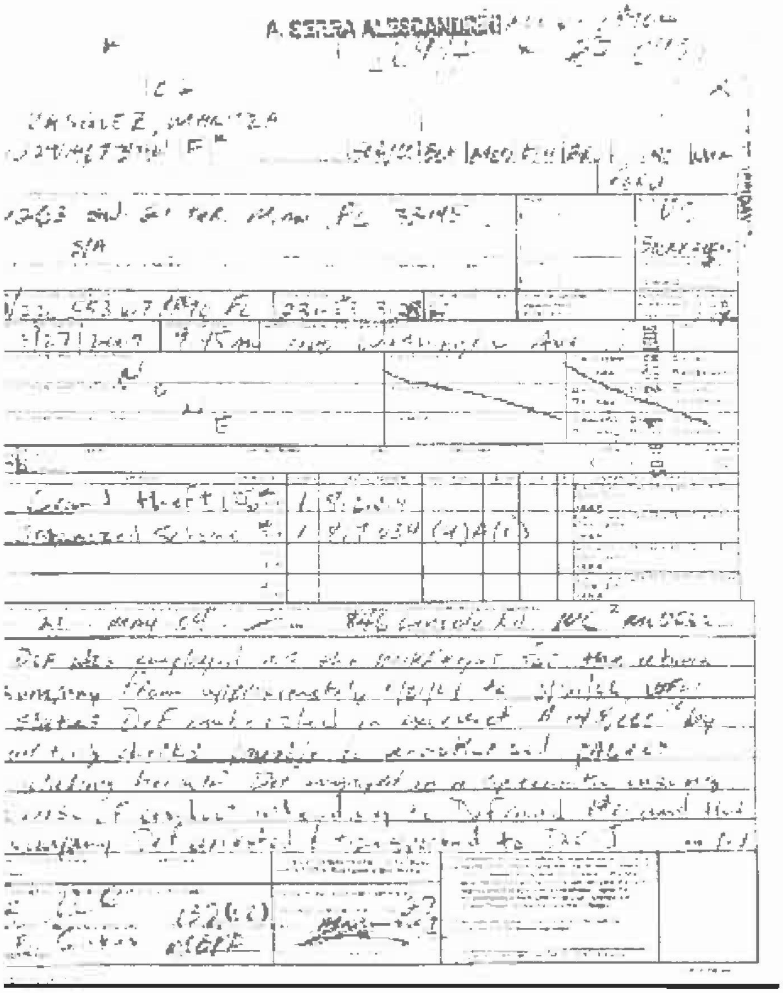

A. SERRA ALESSANDRO

VASQUEZ, MARITZA

1263 SW 21 TER. Miami FL 33145

S/A

Grand Theft [illegible] | 1 | 812.014

Organized Scheme [illegible] | 1 | 817.034 (4)A(1)

DEF was employed at the [illegible] for the [illegible] company from approximately [illegible] to [illegible] [illegible] Def embezzled in excess of $[illegible] by [illegible] checks [illegible] Def [illegible] in a systematic ongoing course of conduct [illegible] Defraud [illegible] company. Def arrested [illegible] transported to TGK [illegible]

EXHIBIT I

COMPOSITE EXHIBIT J - VISA

Department of Homeland Security
U.S. Citizenship and Immigration Services

I-797B, Notice of Action

THE UNITED STATES OF AMERICA

RECEIPT NUMBER EAC-11-194-51407		CASE TYPE I129 PETITION FOR A NONIMMIGRANT WORKER
RECEIPT DATE June 24, 2011	PRIORITY DATE	PETITIONER MC2 MODELS MIAMI LLC
NOTICE DATE September 6, 2011	PAGE 1 of 1	

LUIS FONT ESQ
FONT LAW GROUP PA
1440 HOLLYWOOD BLVD SUITE 416
HOLLYWOOD FL 33021

Notice Type: Approval Notice
Class: O1
Valid from 10/01/2011 to 09/30/2014
Consulate: PARIS

[illegible]

[illegible]

[illegible]

[illegible]

Number of workers: 1

Name	DOB	COB	Class	Consulate or POE	OCC Code
[illegible]	[illegible]	[illegible]	O1	PARIS	[illegible]

Please see the additional information on the back. You will be notified separately about any other cases you filed.

U.S. CITIZENSHIP & IMMIGRATION SVCS
VERMONT SERVICE CENTER
75 LOWER WELDEN STREET
SAINT ALBANS VT 05479-0001
Customer Service Telephone: (800) 375-5283

Form I797B (Rev. 09/07/93)N

[illegible]

[illegible]

Form I-797B (Rev. 10/31/05) N

SUPPORTING DOCUMENTS

EXHIBIT 1	Several press and media articles documenting the rise of South Beach as one of the United States' main fashion capitals.
EXHIBIT 2	Press articles regarding the models and actresses who were both discovered by and careers were launched by the beneficiary, Jean Luc Brunel.
EXHIBIT 3	Several articles regarding the prestigious reputation of Karin Models as formerly one of the world's leading agencies.
EXHIBIT 4	A list of all of MC2's clients, including several high-profile campaigns featuring some of MC2's fashion models, as well as several press clippings regarding this prestigious and reputable modeling agency.
EXHIBIT 5	The beneficiary's, Jean Luc Brunel, impressive curriculum vitae, verifying his tremendous accomplishments in both the fashion and modeling industries.
EXHIBIT 6	Several articles regarding the 2004 Models New Generation Contest (including translations) as well as the beneficiary's leading role within this prestigious modeling event.
EXHIBIT 7	Several press articles regarding the prestigious 2006 Models New Generation Competition (including translations), as well as the beneficiary's Jean Luc Brunel, leading role within the event.
EXHIBIT 8	Letter of Claudia Midolo, President of Modelwork, a renowned modeling agency.
EXHIBIT 9	Letter of Alla Amantova, Director of Figaro International Management.
EXHIBIT 10	Several press articles reflecting the prestige and high circulation rates of the mentioned magazines and periodicals which have featured and covered the modeling events which the beneficiary, Jean Luc Brunel, has organized throughout the years.
EXHIBIT 11	Information regarding the extremely successful and prestigious modeling and fashion association, International Model Talent Association (IMTA).

mc2
MODELSMIAMI

July 25, 2014

Department of Homeland Security
United States Citizenship and Immigration Services
Vermont Service Center
30 Houghton Street
Saint Albans, VT 05478

RE: 1-129, Petition for a Nonimmigrant Worker
O-1 Extraordinary Ability as an Art Director and Talent Coordinator
Petitioner: MC2 Models Miami, LLC
Beneficiary: Jean-Luc Didier Henri-Rene BRUNEL

Dear Sir / Madam:

The present letter and its enclosures are submitted in support of the attached O-1 petition of MC2 Models Miami, LLC, on behalf of Mr. Jean Luc Brunel. The petition is based upon Mr. Brunel's standing as an "Alien of Extraordinary Ability in Art Direction and Talent Coordination." ***Kindly note that Mr. Brunel currently holds O-1 status with our organization.***

The South Florida area and Miami Beach in particular have become a mecca for the fashion and modeling industries. As a result, many of the largest international modeling agencies such as Ford, Elite, and MC2 have opened offices in South Beach and the area has become one of the most important in the modeling industry. In fact, Miami Beach has become second only to New York City in terms of employment opportunities for fashion models in the United States. Attached as **EXHIBIT 1**, please find several press and media articles documenting the rise of South Beach as one of the United States' main fashion capitals.

In 1996, our company, MC2 (formerly Karin Models), established an office in the heart of the historic Art Deco District of Miami Beach. "South Beach" has truly become one of the world's modeling capitals and we are pleased to be a part of it. Our agency has developed a highly distinguished reputation in the modeling industry. We specialize in representing numerous models of international acclaim. Having discovered faces such as Christy Turlington, and molded the careers of celebrities such as Sharon Stone, Estella Warren, Milla

Jovovich, Jerry Hall and Rebecca Romijn, who is currently starring in the award-winning ABC television series, *Ugly Betty*; MC2 models are among the most sought after in the industry, as evidenced by the caliber of their commercial and editorial bookings. Many of our fashion models have graced the pages of leading fashion magazines of the United States, Europe, Latin America, Africa, and Australia such as *Vogue*, *Teen Vogue*, *Elle*, *W*, *Glamour*, *V*, *Marie Claire*, *Surface* and *Cosmopolitan* as well as many more throughout the world. In addition to our Miami Beach office, MC2 Models has offices in New York City and Tel Aviv, Israel.

As Artistic Director and Talent Coordinator for MC2 Models Miami, LLC, Mr. Brunel will be responsible for overseeing the artistic aspects of the agency. By overseeing the art department in the agency, Mr. Brunel will direct the visual marketing of the models to clients, focusing on the images placed on both the model's composite cards and their portfolios. Both of these marketing tools are crucial in marketing fashion models to their appropriate catalog, editorial, or media clients. As Artistic Director and Talent Coordinator, Mr. Brunel will also coordinate the pairing of fashion models with a particular photographer. Clients for the agency include a myriad of fashion publications, retail stores, consumer product companies, and fashion houses to name but a few. Recruitment of talented artistic photographers who have an excellent understanding of the "ins and outs" of the modeling and fashion industry is critical to the successful running of a top-modeling agency such as MC2 Models. Mr. Brunel will also continue with his amazing track record of discovering the world's greatest talents and beauties in order to sign them with MC2 Models. Mr. Brunel will continue to travel around the world looking for new talents, and to agencies around the world in order to establish relationships with those agencies and allow MC2 Models Miami, LLC to represent them in the United States.

Mr. Brunel's impressive qualifications as an Art Director and Talent Coordinator, establish eligibility as to the regulatory standards for such classification as a top professional in his field. Mr. Brunel meets the O-1 criteria as an individual of extraordinary ability in the Arts and Entertainment field as well as a business entrepreneur. MC2 Models Miami, LLC is presently seeking a sophisticated art director and talent coordinator. After reviewing his experience and accolades, we are confident that the beneficiary, Mr. Jean Luc Brunel, will perform said function with outstanding skill and professionalism.

I. MR. BRUNEL'S QUALIFICATIONS AS THE BENEFICIARY

In addition to Jean Luc Brunel's extensive business qualifications, his career as an individual with artistic vision and creative talents qualifies him as an O-1 alien in the Arts and Entertainment Field. His all- encompassing experience as an Art Director, Talent Coordinator, international entrepreneur and business leader in the modeling, fashion, entertainment, public relations, restaurant, and tourism industries has made Mr. Brunel internationally renowned in those fields. Among his various accomplishments throughout his career are the successful modeling agencies he has founded both in Europe and in the United States. For example, in 1978, Mr. Brunel founded and grew Karin Models Paris from the ground up to become a lead-market agency with a world-wide presence. Capturing a strong market share in Paris, Mr. Brunel successfully created Karin Models as a platform for marquee clients to obtain sophisticated public relations services and important modeling contract opportunities. Mr. Brunel's success was so great with Karin Paris that in the next ten years, he founded Next Model Management in Los Angeles, California in 1980, Next Model Management in Miami, Florida in 1982, Model Management Group also in Miami, Florida in 1986, and Rebecca Commercial Casting in New York City, in 1988. The latter one was opened as a talent and casting agency for performers, offering services such as voice-overs, television, and cinema advertising work, again, successfully carving out a niche by which to make his mark and achieve bold commercial performance results.

Although Mr. Brunel later sold his rights to Next Management to Faith Kates in 1989, who partnered with Joel Wilkenfeld a couple of years later; NEXT represents some of the most prestigious women and men in the fashion world today. Star talent includes renowned fashion models Molly Sims, Daniela Pestova, Audrey Quock, Yamila Diaz, and Malgosia Bela. NEXT continues to maintain an influential international force in the fashion and modeling industry through its fully operational offices in New York, Los Angeles, Miami, Sao Paolo, Montreal, London, and Paris, as well as its affiliates in Milan and Australia.

Because of strong revenue growth and successful business performance, as a result of his artistic vision as an artistic director and talent coordinator, Mr. Brunel founded the very successful Karin Models of America in New York City and Karin Models USA in Miami Beach. Mr. Brunel's commercial ventures in opening Karin agencies in Paris, New York, and Miami have been extremely successful, generating combined annual revenues of twenty five (25) million dollars. Eventually, Mr. Brunel licensed the Karin name to agencies in Israel, Denmark, Germany, and Spain. Mr. Brunel's extraordinary talents are not only limited to launching successful modeling businesses, but also in discovering and launching the careers of some of the world's most successful models. Mr. Brunel has launched the extremely successful careers of supermodels such as Christy Turlington, Rachel Hunter, Sharon Stone, Monica Bellucci, Estella Warren, and Christina Semonnovskaya. These women all proceeded to become some of the most photographed international cover models in the world, appearing on thousands of magazine covers worldwide and spanning many years. As a result of his reputation as a highly visible, strategic networker who cultivates and conducts business in a global environment and brokers lucrative deals, many top players in the fashion and entertainment field requested that Mr. Brunel function as their exclusive agent and representative. Some of these top former and present professional supermodels in the fashion field include, Naomi Campbell, Christy Turlington, Rebecca Romijn, Milla Jovanovich, Inez Sastre, Melanie Thierry, and Jerry Hall. Attached as **EXHIBIT 2**, please find press articles regarding the models and actresses who were both discovered by and careers were launched by the beneficiary, Jean Luc Brunel. Additionally, attached as **EXHIBIT 3**, please find several articles regarding the prestigious reputation of Karin Models as formerly one of the world's leading agencies.

Most recently in October 2005, and after his reign with Karin Models, Mr. Brunel launched the prestigious MC2 Model Management worldwide with offices in New York, Miami and Tel Aviv. Mr. Brunel started the high-profile MC2 Model Management in order to represent high fashion models in a boutique agency setting. MC2 Model Management is already being lauded by fashion insiders as "one of the hottest agencies in North America" as well as "prominently positioned to be one of the major players of the Zeros because of its insider relationships with the most influential photographers around." We invite you to visit www.mc2mm.com in order to view the high-caliber of models, MC2 represents. Some of its most recent successful bookings include Liu Dan's exclusive contract as the face of the Fall 2007 Guess Campaign and Sammy Jo's cover story for *Cosmopolitan Magazine*. Attached as **EXHIBIT 4**, please find a list of all of MC2's clients, including several high-profile campaigns featuring some of MC2's fashion models, as well as several press clippings regarding this prestigious and reputable modeling agency.

Jean Luc Brunel's entrepreneurial spirit is not only contained to the field of arts, beauty, and fashion. In 1970, as a result of his business insight, Mr. Brunel founded and grew Jean Luc Relations Publique, which specialized in press and promotions for tour operators and restaurants in France. During his work through Jean Luc Relations Publique, Mr. Brunel represented various key clients and collaborated on numerous prestigious events. Some of the prestigious events include: Air Tour and Daro Voyages. Jean Luc Relations Publique also promoted and marketed La Tour D'Argent, a three-star restaurant owned by Claude Terrail and, "The Go-Between", a motion picture by George Losey. Other projects taken on by Mr. Brunel through his public relations company was his work as product agent for Jean Claude Killy, 1968 Winter Olympic Gold Medalist skier, to promote Vail, Colorado in France for tourism potential and also directed all of the promotion for Finland's Ministry of Tourism. In 1975, Mr. Brunel further invested in the Food and Hospitality market by creating and developing "El Mono Desnudo"- a legendary, high-end bar on the Iberian Peninsula. This bar was known throughout the peninsula as extremely exclusive and attracted a celebrity clientele that included actress, Ursula Andress, and the Duchess D'Alba. Attached as **EXHIBIT 5**, please find the beneficiary's, Jean Luc Brunel, impressive curriculum vitae, verifying his tremendous accomplishments in both the fashion and modeling industries.

II. ELIGIBILITY FOR CLASSIFICATION AS AN ALIEN OF EXTRAORDINARY ABILITY IN THE ARTS

Under the Miscellaneous and Technical Immigration and Nationality Amendments of 1991, petitions for classification as an Alien of Extraordinary Ability in the Arts must be supported by evidence of "distinction". According to 8 CFR §214.2(o)(3)(ii), "distinction" means a high level of achievement in the field of arts as evidenced by a degree of skill and recognition substantially above that ordinarily encountered to the extent that **a person described as prominent is renowned, leading, or well-known in the fields of arts.** This evidence may consist of proof that the alien must be recognized as being prominent in his field of endeavor as demonstrated by the following according to 8 CFR §214.2(o)(3)(iv):

A. Evidence that the alien has been nominated for or has been the recipient of significant national or international awards or prizes in the particular field such as an Academy Award, an Emmy, a Grammy, or a Director's Guild Award, or

B. At least three of the following forms of documentation:

(1) Evidence that the alien has performed, and will perform, services as a lead or starring participant in productions or events, which have a distinguished reputation as evidenced by critical reviews, advertisements, publicity releases, publications contracts, or endorsements;

(2) Evidence that the alien has achieved national or international recognition for achievements evidenced by critical reviews or other published materials by or about the individual in major newspapers, trade journals, magazines, or other publications;

(3) Evidence that the alien has performed, and will perform, in a lead, starring, or critical role for organizations and establishments that have a distinguished reputation evidenced by articles in newspapers, trade journals, publications, or testimonials;

(4) Evidence that the alien has a record of major commercial or critically acclaimed successes as evidenced by such indicators as title, rating, standing in the field, box office receipts, motion picture or television ratings, and other occupational achievements reported in trade journals,

major newspapers, or other publications;

(5) Evidence that the alien has received significant recognition for achievements from organizations, critics, government agencies, or other recognized experts in the field in which the alien is engaged. Such testimonials must be in a form, which clearly indicates the author's authority, expertise, and knowledge of the alien's achievements; or

(6) Evidence that the alien has either commanded a high salary or will command a high salary or other substantial remuneration for services in relation to others in the field, as evidenced by contracts or other reliable evidence; or

C. If the criteria in paragraph (o)(3)(iv) of this section do not readily apply to the beneficiary's occupation, the petitioner may submit comparable evidence in order to establish the beneficiary's eligibility.

EVIDENCE THAT THE BENEFICIARY MEETS AT LEAST THREE OF THE PRONGS OF THE CRITERIA UNDER SUBSECTION B

The **first prong** that the beneficiary satisfies is **8 CFR §214.2(o)(3)(iv)(B)(1)**, which requires **evidence that the alien has performed, and will perform, services as a lead or starring participant in productions or events which have a distinguished reputation as evidenced by critical reviews, advertisements, publicity releases, publication contracts, or endorsements.**

As a result of Mr. Brunel's combined expertise in fashion and tourism, he decided to create Latin Model Pageants, now known as Models New Generation- to cross promote these key industries with international business and investment opportunities. Mr. Brunel has promoted and judged various modeling contests throughout South America including modeling contests staged in countries such as Peru, Ecuador, Brazil, Argentina, and Chile. Conceived in 1987, the Latin Model of the World event was a high-end modeling and entertainment product that appealed to upscale international audiences, reaching nearly 400-million television viewers worldwide. Throughout his history as a major international event promoter and artistic and talent coordinator, Mr. Brunel has orchestrated multi-faceted public relations, advertising and media campaigns that incorporated television, magazines, programs, newsletters, and promotions, becoming notably lucrative for various major brands as a promotional tool. Mr. Brunel's acute knowledge of marketing and promoting skills has turned his various international events into highly successful artistic and business ventures for various major brands. Latin Model Pageants attracted major brands as sponsors, such as American Airlines, Ray-Ban, Coca-Cola, Proctor & Gamble, and Revlon.

Mr. Brunel's has continued his ventures as both a promoter and panel judge when he founded and created the international modeling contest, Models New Generation that took place in Guayaquil, Ecuador in 2004. Mr. Brunel sat on a panel with three other professionals in the fashion industry and judged over forty-nine young women from over North and South America, Asia, and Europe. After ten days of harsh competition, Jean Luc Brunel crowned the winner, Alyne Weber, a fifteen year old from Brazil, whom as a result of coming in first place was awarded over three hundred thousand dollars worth of modeling contracts. The city of Guayaquil, Ecuador was also thrown into the international spotlight as the host city for the modeling contest. The Models New Generation was broadcasted on numerous television network channels including, Fashion TV, which transmits to over 202 countries throughout the globe, the entire Association of Television Channels in Ecuador, National Television of China, and Rede Globo, Brazil's largest and most popular television network. Attached as **EXHIBIT 6**, please find several articles regarding the 2004 Models New Generation Contest as well as the beneficiary's leading role within this prestigious modeling event.

As a result of the tremendous success of the first Models New Generation that took place in Guayaquil, Ecuador in 2004, Mr. Brunel organized the second Model New Generation Contest which was held in 2006 in the Ecuadorian capital of Quito. In order to select only the very best new models, several preliminary, qualifying shows were held in different countries of Latin America including Bolivia, Panama and Peru. The final contest was held in Quito, Ecuador at the historical Plaza San Francisco. Mr. Brunel sat on a panel with three other professionals in the fashion industry and judged over forty-eight young women from twenty-eight different countries from North and South America, Asia, and Europe. After ten days of harsh competition, Jean Luc Brunel crowned the winner, Ginta Lapina, an eighteen year-old, from Latvia, whom as a result of coming in first place was awarded over three hundred thousand dollars worth of modeling contracts.

The city of Quito, Ecuador was also thrown into the international spotlight as the host city for the modeling contest. Again, just like the immense media exposure given to the first Models New Generation competition of 2004, the 2006 Models New Generation competition was broadcast on numerous television network channels including, Fashion TV, which transmits to over 202 different countries throughout the globe, the entire Association of Television Channels in Ecuador, National Television of China, and Rede Globo, Brazil's largest and most popular television network. Attached as **EXHIBIT 7**, please find several press articles regarding the prestigious 2006 Models New Generation

Competition, as well as the beneficiary's Jean Luc Brunel, leading role within the event. The 2006 Models New Generation program was broadcast in over 202 countries throughout the world. Mr. Brunel has performed and will most definitely continue to perform services as a leading participant in modeling events, which have a distinguished reputation and will bring more public international light to MC2 Models.

For the above-mentioned reasons, Mr. Brunel satisfies INA §214.2(o)(3)(iv)(B)(1).

The second prong that the beneficiary satisfies is 8 CFR §214.2(o)(3)(iv)(B)(2), which requires **evidence that the alien has achieved national or international recognition for achievements evidenced by critical reviews or other published materials by or about the individual in major newspapers, trade journals, magazines, or other publications**.

Mr. Brunel holds an international reputation as a visible, strategic networker who is able to cultivate expert relationship management skills in order to conduct business in a global environment and broker lucrative deals. Mr. Brunel has a long history in marketing and advertising major fashion campaigns. Throughout his twenty-five year career in the fashion business, Mr. Brunel has developed worldwide exclusive modeling and cosmetic campaigns. Some of these major cosmetic campaigns include: Bio Therm with supermodel Elle McPherson, PHAS with Rebecca Romijn, Christian Dior with Christina Semonnovskaya, Margret Astor with Monica Bellucci, Chanel with Patricia Von Rickenheim, Angel Perfume with Thierry Mugler, and Cacharel Perfume with Alda Ballestra. Mr. Brunel has also developed major fashion campaigns and has developed campaigns and exclusive contracts with some of the world's top fashion designers such as Yves Saint Laurent, Chanel, Christian Dior, Gucci, Prada and Marc Jacobs. Please see the enclosed letter of Claudia Midolo, President of Modelwork, a renowned modeling agency. **EXHIBIT 8.**

As a talent coordinator, Mr Brunel's success can and should also be measured with the successful careers the models, whose careers he launched, have achieved. As stated above, Mr Brunel has discovered and represented various super models throughout his career. Christy Turlington, who was discovered by Mr. Brunel, has personified unaffected beauty- representing Calvin Klein's fragrances since 1987. Turlington, as well as another model represented by Mr Brunel, Naomi Campbell, became one of the few supermodels, who managed to make an easy transition from the haute glamour of the 1980's to the relaxed simplicity of the following decade. Throughout her extensive career, and as a result of Mr. Brunel's "Fashion- Savvy Eye", Christy Turlington has graced the cover of hundreds of fashion magazines, such as *Cosmopolitan, W, Vogue, Shape, Fitness, Elle, Bazaar, Marie Claire, Harper's,* *Esquire*, and even *Time Magazine*. Please see the enclosed letter of Alla Amantova, Director of Figaro International Management. **EXHIBIT 9.**

In addition, the modeling events that Mr. Brunel has been organizing throughout the years receive not only national, but also international attention and appear in multiple publications around the world. One of the most recent events he organized, the Models New Generation contest, which took place in Ecuador was publicized and transmitted by various television networks and appeared on multiple newspapers and magazines, among them Globo Television Networks in Brazil, Fashion TV which is broadcast into 202 countries throughout the world, *El Universo, Cosas, La Razon, El Diario, El Telegrafo, Notinorte, Extra, Hoy, El Gran Guayaquil, El Comercio, Semana*, and *8 Lideres*, to name a few. These major publications have a large subscription rate which numbers in the many millions of readers. Attached as **EXHIBIT 10**, please find several press articles reflecting the prestige and high circulation rates of the above-mentioned magazines and periodicals which have featured and covered the modeling events in which the beneficiary, Jean Luc Brunel, has organized throughout the years.

Hence the beneficiary satisfies INA §214.2(o)(3)(iv)(B)(2) for having achieved not only national but also international recognition for achievements in the modeling industry, by having his work published in major newspapers and magazines throughout the world.

The third prong that the beneficiary satisfies is **8 CFR §214.2(o)(3)(iv)(B)(4)**, which requires **evidence that the alien has a record of major commercial or critically acclaimed successes as evidenced by such indicators as title, rating, standing in the field, box office receipts, motion picture or television ratings, and other occupational achievements reported in trade journals, major newspapers, or other publications**.

One of the main reasons that Mr. Brunel has been able to not only survive, but also be extremely successful in the ever-changing world of fashion is his ability to identify and recruit star-quality talent. As a result of his ability to scout major talents, Mr. Brunel was invited to become a member in one of the fashion industry's most elite and important associations, the International Model Talent Association (hereinafter IMTA). The IMTA is an international association of training centers for models and talent. IMTA gives aspiring models, actors, singers, and dancers spectacular opportunities to showcase their potential talents in front of top fashion and talent agents from the major markets of the international fashion industry. IMTA also provides its association members valuable marketing tips and networking events with agents and scouts from around the world. Several of todays up and coming actors and models have been discovered at

IMTA; some of these discoveries include world-renowned actors such as, Elijah Woods, Ashton Kutcher, Katie Holmes, Eva Longoria, Jessica Biel, and Sean William Scott. Attached as **EXHIBIT 11**, please find information regarding the extremely successful and prestigious modeling and fashion association, IMTA. Additionally, please find several pages from IMTA's official website documenting their discovery of the above-mentioned A-list actors and actresses, whose membership in IMTA proved to be the launching pad for very successful and highly profitable careers in the film industry.

Furthermore, as previously mentioned, Mr. Brunel has launched the successful careers of many internationally renowned models, who have been featured and still are in many international and national fashion magazines. In addition, his commercial ventures, especially MC2 Models, formerly Karin Models, have been extremely successful generating combined annual revenues of twenty five (25) million dollars. Currently MC2 is one of the most successful and well-known modeling agencies in the world. Mr. Brunel is one of few people in the modeling business that have achieved a similar standing and have been able to maintain it for over twenty-five years.

For the above-mentioned reasons, Mr. Brunel satisfies INA §214.2(o)(3)(iv)(B)(4).

EVIDENCE THAT THE BENEFICIARY MEETS 8 CFR §214.2(O)(3)(iv)(C)

The petitioner has submitted a plethora of evidence regarding Mr. Brunel's experience in the fashion modeling industry. Mr. Brunel's has established MC2 Models, formerly Karin Models, which is presently one of the major international modeling agencies, with combined annual revenues of twenty five million dollars. Only someone with Mr. Brunel's expertise and strong strive for success can achieve such international acclamation in the industry and been able to maintain his status for over twenty-five years. Mr. Brunel is the one responsible for the launch of numerous supermodels' careers, which have been maintained in the spotlight for several years. He has worked with renowned fashion designers and photographers, who have trusted his work and intuition. In addition, Mr. Brunel has orchestrated many international and national successful fashion events that have received international acclamation.

For the above-mentioned reasons, Mr. Brunel in addition to meeting at least three of the criteria of 8 CFR §214.2(O)(3)(iv)(B), he also qualifies under 8 CFR §214.2(O)(3)(iv)(C).

III. CONCLUSION

It is clear from the evidence that Mr. Brunel is eligible for classification as an Alien of Extraordinary Ability in Art Direction and Talent Coordination based upon his meeting the eligibility requirements under the Immigration and Naturalization Act 101(a)(15)(O)(i) and 8 CFR 214.2(o). Mr. Brunel's successful career proves that he is a prominent, leading, and well-known person in the field of arts. Mr. Brunel's extraordinary ability in the field of arts, in which he will continue to work in the United States, has been demonstrated by sustained national and international acclaim. Based on the foregoing, we respectfully request your kind consideration and favorable determination of this petition, in order to accord Mr. Brunel the classification as an **Alien of Extraordinary Ability in Art Direction and Talent Coordination.** ***Again, kindly note that the beneficiary, Mr. Jean Luc Brunel, has held O-1 status in the past.***

Wherefore, for the above-stated reasons, we respectfully request your favorable adjudication of the O-1 nonimmigrant visa petition submitted by MC2 Models Miami, LLC on behalf of Mr. Brunel. If you should have any questions or require any additional documentation, please do not hesitate to contact our office.

Thank you very much for your kind attention regarding this matter.

Truly Yours,

Milan, September 17th, 2014

USCIS
Vermont Service Center
75 Lower Welden Street
St. Albans, VT 05479-0001

RE: O-1 Non-immigrant Visa Petition on behalf of Jean Luc Didier Henri-Rene Brunel

I write this letter in strong support of Mr. Jean Luc Brunel's application for a non-immigrant visa to this country. I am currently Amministratore Unico in Studio Fp. I have been asked to review the professional credentials of Ms. Brunel, and it is my professional opinion that Ms. Brunel is an Art Director and Talent Coordinator of extraordinary ability who ranks among the small percentage of foreign people at very top of his field.

I have seen first-hand Mr. Jean Luc's special expertise in the field, including casting, production, coordination, and art direction for shoots. Mr. Brunel is considered by those in our industry to be an extraordinary creative director talent, particularly for the fashion and related industries. In my personal dealings with Mr. Jean Luc Brunel, I found him to be thoroughly professional and capable of being utilized in connection with a wide range of creative subject matter on any assignment. He has the intuitive ability to provide just what's needed in connection with any particular creative process and possesses excellent artistic management and operational skills that come from his years of experience.

Many people do not understand that behind every successful advertising campaign and fashion shoot there are creative men and women who are making sure that the business operates efficiently by coordinating different tasks between models, photographers, and managing creative teams. I can honestly say that Mr. Brunel continually proves himself as an extraordinary talent in his field.

I offer an unmitigated endorsement for Mr. Jean Luc Brunel regarding his visa application as a person of extraordinary ability. There is no doubt in my mind that his popularity and ability in the field will only continue to prosper in years to come

Sincerely,

[illegible]

2M M2

9/16/14

USCIS
Vermont Service Center
75 Lower Welden Street
St. Albans, VT 05479-0001

RE: O-1 Non-immigrant Visa Petition on behalf of Jean Luc Brunel

Dear Sir or Madam:

I write this letter in strong support of Mr. Jean Luc Brunel's application for a non-immigrant visa to this country. I am currently working as an Agent at Two Management in Los Angeles. Based upon my standing in the field of the fashion industry I am frequently called to evaluate the credentials of other professionals in the field. I have been asked to review the professional credentials of Mr. Jean Luc Brunel. It is my professional opinion, based upon my personal and professional knowledge of Mr. Brunel's talents, that Mr. Brunel is an art director of extraordinary ability who ranks among the small percentage of foreign professionals at very top of his field.

I greatly admire Jean Luc Brunel and find it a pleasure to work with such a talented person. Judging by the high profile success of the companies with which he regularly works, clearly I am not the only one who appreciates his talent. His models have appeared in any of the world's most popular publications, reaching literally millions of admirers. He is particularly famous for his work in fashion, advertising and editorial world. His contribution to major clients, such as Calvin Klein, Gucci, Christian Dior have secured him a position as one of the leading high fashion art directors working today. Jean Luc Brunel is the consummate professional when it comes to the art of fashion and his work is often displayed in world's most elite magazines. A true artist, he is committed to the satisfaction of the client on every occasion. Although Mr. Brunel commands the highest compensation for his work, he is well worth the cost.

Mr. Jean Luc Brunel is unquestionably an individual of extraordinary talent, energy, international achievement and acknowledgment. Should you have any questions regarding Mr. Brunel's extraordinary ability, please feel free to contact me.

Thank you for your attention and consideration.

Sincerely,

Luc Brinker

GREGKADELSTUDIOS
560 Broadway 2nd floor new york 10012 t 212 219 9374
info@GREGKADELSTUDIOS.com

September 16, 2014

USCIS
Vermont Service Center
75 Lower Welden Street
St. Albans, VT 05479-0001

RE: O-1 Non-Immigrant Visa Petition on behalf of Jean Luc Brunel

Dear Sir or Madam:

This letter is written to support the visa application of Jean Luc Brunel so that he may be accorded O-1 extraordinary ability visa status to continue to expand upon his already outstanding success in the worldwide fashion industry. I am the Production Manager at Greg Kadel Studios, and have worked with such clients as *Vogue Italia*, *Numéro*, *Interview*, *Vogue Germany*, *InStyle* and *Allure*.

Jean Luc Brunel has become increasingly well known in our field as someone who will infallibly manage and direct fashion models for clients, photographers, etc. Mr. Jean Luc Brunel has a trained eye to select the most appropriate models to be used in an advertising campaign, and subsequently has the outstanding ability to manage all stages of the complex process of producing the right model for a job. Therefore, the quality of his work is incredible as he is able to find the most beautiful models. As a result, he is fast becoming one of the professionals of choice for the fashion industry and other creative industries.

In my opinion, Jean Luc Brunel, is clearly an individual of extraordinary ability in the field of art, and the position he will assume in the United States clearly requires an individual of extraordinary ability in this field. Mr. Brunel has been internationally known and recognized for his unique talent and expertise, the models he finds regularly appearing in the most prestigious fashion publications around the world such as *Elle Magazine*, *Cosmopolitan*, Macy's, Nordstrom. Mr. Brunel's contributions to major clients have secured him a position as one of the leading directors and talent coordinators working today. It is also my opinion that the responsibilities and duties of an international art director, who collaborates with the most distinguished magazines and advertising clients, require an individual of extraordinary ability and accomplishments such as Mr. Jean Luc Brunel.

If granted an O-1 visa to work in the United States, Jean Luc Brunel will surely bring his phenomenal talent to the American market.

Please do not hesitate to contact me with any questions.

Sincerely,

Ernesto Qualizza
Production Manager

montage
3451 ST LAURENT #400, MONTREAL, QC TEL 514 284-4001 FAX 514 284-3450

USCIS
Vermont Service Center
75 Lower Walden Street
St. Albans, VT 05479-0001
RE: O-1 Non-Immigrant Visa Petition on behalf of Jean Luc Brunel

Dear Sir or Madam:

My name is Nadia Canova and I am President of Montage Models. I have 30 years of experience and I am constantly in contact with professionals all over the world. A few of my clients include Elle Magazine, Simons, Reitmans, Laura Shop, Ogilvy's, The Bay Stores......and so on. As such, I am qualified to comment on Mr. Jean Luc Brunel's career as an art director of extraordinary ability.

It is not only because of his acclamations or his impressive body of work that fashion advertising and publishing executives around the world choose to utilize Mr. Brunel's great talent for their renowned accounts. Mr. Jean Luc Brunel is also an absolute expert at furnishing his clients with exactly the image of their desire. My personal appreciation of Mr. Brunel makes it easy for me to comprehend his acclamations. From my standpoint, they are certainly well confirmed. Accordingly, Mr. Brunel is in a position to command sizable compensation for his work as compares to others in the business.

Mr. Brunel's reputation as a formidable artist with a personable demeanor precedes him. He is constantly researching and developing stimulatingly new concepts for his clients and I have come to rely on and trust him and his ability. Over the course of his celebrated career, Jean Luc Brunel has distinguished himself as one of the leading fashion art directors in the industry.
Mr. Jean Luc Brunel enjoys an extraordinary relationship to the aesthetic. This quality manifests itself through the beautiful work he creates, time after time. Therefore, Jean Luc Brunel is clearly one of the most talented professionals working in the world today. I look forward to seeing more of his work in the future.

Sincerely Yours,

NCanova

Nadia Canova
montage

NORDSTROM

September 17, 2014

USCIS
Vermont Service Center
75 Lower Welden Street
St. Albans, VT 05479-0001

RE: O-1 Non-Immigrant Visa Petition on behalf of Jean Luc Brunel

Dear Sir or Madam:

I would like to extend my full and unqualified support for the extraordinary ability O-1 visa petition submitted by Mr. Jean Luc Brunel. As the Senior Talent Producer for Nordstrom, I am qualified to say that Mr. Jean Luc Brunel is an art director and talent coordinator of the highest caliber whose technical excellence and creative vision have lifted him to the top of his profession.

Throughout Mr. Jean Luc Brunel's distinguished career, he has received a highly impressive list of professional honors and achievements. In the past few years, Mr. Brunel has scouted beautiful models that have appeared in a list of acclaimed projects in some of the most eminent publications in the world, which serves as a testament to his talents.

I am a constant witness to the creative and operational skills of many creative direction people, including art directors and talent coordinators. It is therefore my pleasure to recognize the remarkable talent and achievements of Mr. Jean Luc Brunel. He manages to achieve the strongest results from the most carefully developed creative concepts and ideas. It is his very unique ability to communicate, via careful analysis, the intended creative message of his clients. It is clear that Mr. Jean Luc Brunel is talented far beyond the average levels for this industry by the stunning merit with which his work is considered. Indeed, he has worked with some of the best-known retailers, fashion houses, and magazines in the world. It is without a doubt that I place him in the ranks of the very best in his profession.

I can confidently testify that Mr. Jean Luc Brunel's reputation has achieved international stature. He has reached a level where industry leaders now describe him as a "star". Jean Luc Brunel's extraordinary career is at a point where there is no turning back.

Sincerely,

Liza Marlow

Liza Marlow
Senior Talent Producer
Nordstrom

Nordstrom Inc.
[illegible] S. Michigan St. Seattle, WA 98108
Nordstrom.com

Recommendation Letter

22/09/14

USCIS
Vermont Service Center
75 Lower Welden Street
St. Albans, VT 05479-0001

RE: O-1 Non-immigrant Visa Petition on behalf of Jean Luc Brunel

Dear Sir or Madam:

It is an extreme pleasure to write a letter of recommendation for Mr. Jean Luc Brunel. I provide this recommendation based on my knowledge and experience in the field of modeling, due to my established reputation and work in the field as the Vladimir Yudashkin, director of 1 Mother Agency, Kiev, Ukraine

I have known Jean Luc Brunel professionally for several years through our work together and, in my opinion, he is an extremely talented individual with superb professional reputation. He is an extraordinarily able coordinator who strives for and attains a level of merit in his work that only a few of his contemporaries meet. He has the ability to recognize the creative vision of his client within the time and budget through his careful and thoughtful choice of model casting combined with his meticulous ability in the field. Jean Luc Brunel is a true find in our industry.

There are plenty of art directors out there, but none with the depth and quality that Mr. Brunel possesses. He is unlike anyone in this industry, and I expect to see him continue to find great models in his successful career. Someone overflowing with talent as Jean Luc Brunel should be given every opportunity to work in the United States, where he will have the proper venues to showcase his extraordinary talents.

Please do not hesitate to contact me should you have any questions regarding this matter. Thank you for your time and consideration.

Sincerely,

Vladimir Yudashkin

FiGaro
THE AGENCY OF [illegible] MODELS
[illegible]
[illegible]

Number 061714/1
June 17, 2014

Department of Homeland Security
United States Citizenship and Immigration Services
Vermont Service Center
30 Houghton Street
Saint Albans, VT 05478

Dear Sirs

Re: ***O-1 Extraordinary Ability as an Art Director and Talent Coordinator on behalf of Jean-Luc Didier Henri-Rene Brunel***

I relish the opportunity to write this letter in support of Mr. Jean Luc Brunel petition to work as an Art Director and Talent Coordinator in the United States.

As a talent coordinator, Mr. Brunel's success can and should be measured with the successful careers the models, whose careers he launched, have achieved. Mr. Brunel has discovered and represented various super models throughout his career. Christy Turlington, who was discovered by Mr. Brunel, has personified unaffected beauty representing Calvin Klein's fragrances since 1987. Turlington, as well as another model represented by Mr. Brunel, Naomi Campbell, became one of the few supermodels who managed to make an easy transition from the haute glamour of the 1980's to the relaxed simplicity of the following decade. Throughout her extensive career and as a result of Mr. Brunel's "Fashion-Savvy Eye", Christy Turlington has graced the cover of hundreds of fashion magazines, such as Cosmopolitan, W, Vogue, Shape, Fitness, Elle, Bazaar, Marie Claire, Harper's, Esquire, and even Time Magazine.

Mr. Brunel has also launched the extremely successful careers of supermodels such as Rachel Hunter, Sharon Stone, Monica Belucci, Estella Warren, and Christina Semenovskaya. These women all proceeded to become some of the most photographed international cover models in the world, appearing on thousands of magazine covers worldwide and spanning many years. As a result of his reputation as a highly visible, strategic networker who cultivates and conducts business in a global environment and brokers lucrative deals, many top players in the fashion and entertainment field requested that Mr. Brunel function as their exclusive agent and representative.

We have had more than gratifying experience working with Mr. Jean Luc Brunel, coordinating big fashion events and the opportunity for him to find top new talents to represent in the United States through our agency.

Please do not hesitate to contact me if you have any questions.

Sincerely

Alla Amantova
Director

MODELWERK

MODELLAGENTUR GmbH
ROTHENBAUMCHAUSSEE 1 · 20148 HAMBURG
TEL. 0049-40-41 70 29 · FAX: 0049-40-41 79 10
www.modelwerk.de

Hamburg 8 July, 2014

Department of Homeland Security
United States Citizenship and Immigration Services
Vermont Service Center
30 Houghton Street
Saint Albans, VT 05478

Re: O-1 Extraordinary Ability as an Art Director and Talent Coordinator on behalf of Jean-Luc Didier Henri-Rene Brunel

To Whom It May Concern:

As a President of Modelwerk, this letter is submitted in support of MC2 Models Miami, LLC, on behalf of Mr. Jean Luc Brunel to work as an Art Director and Talent Coordinator.

Mr. Brunel holds an international reputation as a visible, strategic networker who is able to cultivate expert relationship management skills in order to conduct business in a global environment and broker lucrative deals. Mr. Brunel has a long history in marketing and advertising major fashion campaigns. Throughout his twenty-five year career in the fashion business, Mr. Brunel has developed worldwide, exclusive modeling and cosmetic campaigns. Some of these major cosmetic campaigns include: Bio Therm with supermodel Elle McPherson, PHAS with Rebecca Romijn, Christian Dior with Christina Semonnovskaya, Margret Astor with Monica Bellucci, Chanel with Patricia Von Rickenheim, Angel Perfume with Thierry Mugler, and Cacharel Perfume with Aida Ballestra. Mr. Brunel has also developed major fashion campaigns and has developed campaigns and exclusive contracts with some of the world's top fashion designers such as

Yves Saint Laurent, Chanel, Christian Dior, Gucci, Prada, and Marc Jacobs.

In addition to Mr. Jean Luc Brunel's extensive business qualifications, his career as an individual with artistic vision and creative talents has helped him find top fashion models to represent in the United States.

Should you have any questions about Mr. Jean Luc Brunel qualifications feel free to contact me.

Modelwerk
Modelagentur GmbH
Fax: 040 / 88 20 73 100

Sincerely,

Claudia Midolo
President
Modelwerk Modelagentur GmbH

Natalie
MODEĻU AĢENTŪRA

July 8, 2014

Department of Homeland Security
United States Citizenship and Immigration Services
Vermont Service Center
30 Houghton Street
Saint Albans, VT 05478

Re: O-1 Extraordinary Ability as an Art Director and Talent Coordinator on behalf of Jean-Luc Didier Henri-Rene Brunel

To Whom It May Concern:

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Should you have any questions about Mr. Jean Luc Brunel qualifications feel free to contact me.

Sincerely.

Erik Melsons

FP
[illegible]

Milan, September 17th, 2014

USCIS
Vermont Service Center
75 Lower Welden Street
St. Albans, VT 05479-0001

RE: O-1 Non-immigrant Visa Petition on behalf of Jean Luc Didier Henri-Rene Brunel

I write this letter in strong support of Mr. Jean Luc Brunel's application for a non-immigrant visa to this country. I am currently Amministratore Unico in Studio Fp. I have been asked to review the professional credentials of Ms. Brunel, and it is my professional opinion that Ms. Brunel is an Art Director and Talent Coordinator of extraordinary ability who ranks among the small percentage of foreign people at very top of his field.

I have seen first-hand Mr. Jean Luc's special expertise in the field, including casting, production, coordination, and art direction for shoots. Mr. Brunel is considered by those in our industry to be an extraordinary creative director talent, particularly for the fashion and related industries. In my personal dealings with Mr. Jean Luc Brunel, I found him to be thoroughly professional and capable of being utilised in connection with a wide range of creative subject matter on any assignment. He has the intuitive ability to provide just what's needed in connection with any particular creative process and possesses excellent artistic management and operational skills that come from his years of experience.

Many people do not understand that behind every successful advertising campaign and fashion shoot there are creative men and women who are making sure that the business operates efficiently by coordinating different tasks between models, photographers, and managing creative teams. I can honestly say that Mr. Brunel continually proves himself as an extraordinary talent in his field.

I offer an unmitigated endorsement for Mr. Jean Luc Brunel regarding his visa application as a person of extraordinary ability. There is no doubt in my mind that his popularity and ability in the field will only continue to prosper in years to come.

Sincerely,

[illegible]

2M M2

9/16/14

USCIS
Vermont Service Center
75 Lower Welden Street
St. Albans, VT 05479-0001

RE: O-1 Non-immigrant Visa Petition on behalf of Jean Luc Brunel

Dear Sir or Madam

I write this letter in strong support of Mr. Jean Luc Brunel's application for a non immigrant visa to this country. I am currently working as an Agent at Two Management in Los Angeles. Based upon my standing in the field of the fashion industry I am frequently called to evaluate the credentials of other professionals in the field. I have been asked to review the professional credentials of Mr. Jean Luc Brunel. It is my professional opinion, based upon my personal and professional knowledge of Mr. Brunel's talents, that Mr Brunel is an art director of extraordinary ability who ranks among the small percentage of foreign professionals at very top of his field.

I greatly admire Jean Luc Brunel and find it a pleasure to work with such a talented person. Judging by the high profile success of the companies with which he regularly works, clearly I am not the only one who appreciates his talent. His models have appeared in any of the world's most popular publications, reaching literally millions of admirers. He is particularly famous for his work in fashion, advertising and editorial world. His contribution to major clients, such as Calvin Klein, Gucci, Christian Dior have secured him a position as one of the leading high fashion art directors working today. Jean Luc Brunel is the consummate professional when it comes to the art of fashion and his work is often displayed in world's most elite magazines. A true artist, he is committed to the satisfaction of the client on every occasion. Although Mr Brunel commands the highest compensation for his work, he is well worth the cost.

Mr Jean Luc Brunel is unquestionably an individual of extraordinary talent, energy, international achievement and acknowledgment. Should you have any questions regarding Mr. Brunel's extraordinary ability, please feel free to contact me.

Thank you for your attention and consideration.

Sincerely,

Luc Brunel

GREGKADELSTUDIOS
[illegible] Broadway 2nd floor new york [illegible] t 212 [illegible] 9074
info@GREGKADELSTUDIOS.com

September 16, 2014

USCIS
Vermont Service Center
75 Lower Welden Street
St. Albans, VT 05479-0001

RE: O-1 Non-Immigrant Visa Petition on behalf of Jean Luc Brunel

Dear Sir or Madam:

This letter is written to support the visa application of Jean Luc Brunel so that he may be accorded O-1 extraordinary ability visa status to continue to expand upon his already outstanding success in the worldwide fashion industry. I am the Production Manager at Greg Kadel Studios, and have worked with such clients as *Vogue Italia*, *Numéro*, *Interview*, *Vogue Germany*, *InStyle*, and *Allure*.

Jean Luc Brunel has become increasingly well known in our field as someone who will infallibly manage and direct fashion models for clients, photographers, etc. Mr. Jean Luc Brunel has a trained eye to select the most appropriate models to be used in an advertising campaign, and subsequently has the outstanding ability to manage all stages of the complex process of producing the right model for a job. Therefore, the quality of his work is incredible as he is able to find the most beautiful models. As a result, he is fast becoming one of the professionals of choice for the fashion industry and other creative industries.

In my opinion, Jean Luc Brunel, is clearly an individual of extraordinary ability in the field of art, and the position he will assume in the United States clearly requires an individual of extraordinary ability in this field. Mr. Brunel has been internationally known and recognized for his unique talent and expertise, the models he finds regularly appearing in the most prestigious fashion publications around the world such as *Elle Magazine*, Cosmopolitan, Macy's, Nordstrom. Mr. Brunel's contributions to major clients have secured him a position as one of the leading directors and talent coordinators working today. It is also my opinion that the responsibilities and duties of an international art director, who collaborates with the most distinguished magazines and advertising clients, require an individual of extraordinary ability and accomplishments such as Mr. Jean Luc Brunel.

If granted an O-1 visa to work in the United States, Jean Luc Brunel will surely bring his phenomenal talent to the American market.

Please do not hesitate to contact me with any questions.

Sincerely,

[illegible]
Production Manager

montage
3451 ST LAURENT #400, MONTREAL, QC. TEL. 514 284-[illegible] FAX 514-284-[illegible]

USCIS
Vermont Service Center
75 Lower Welden Street
St. Albans, VT 05479-0001
RE: **O-1 Non-Immigrant Visa Petition on behalf of Jean Luc Brunel**

Dear Sir or Madam:

My name is Nadia Canova and I am President of Montage Models. I have 30 years of experience and I am constantly in contact with professionals all over the world. A few of my clients include Elle Magazine, Simons, Reitmans, Laura Shop, Ogilvy's, The Bay Stores……and so on. As such, I am qualified to comment on Mr. Jean Luc Brunel's career as an art director of extraordinary ability.

It is not only because of his acclamations or his impressive body of work that fashion advertising and publishing executives around the world choose to utilize Mr. Brunel's great talent for their renowned accounts. Mr. Jean Luc Brunel is also an absolute expert at furnishing his clients with exactly the image of their desire. My personal appreciation of Mr. Brunel makes it easy for me to comprehend his acclamations. From my standpoint, they are certainly well confirmed. Accordingly, Mr. Brunel is in a position to commend sizable compensation for his work as compares to others in the business.

Mr. Brunel's reputation as a formidable artist with a personable demeanor precedes him. He is constantly researching and developing stimulatingly new concepts for his clients and I have come to rely on and trust him and his ability. Over the course of his celebrated career, Jean Luc Brunel has distinguished himself as one of the leading fashion art directors in the industry.
Mr. Jean Luc Brunel enjoys an extraordinary relationship to the aesthetic. This quality manifests itself through the beautiful work he creates, time after time. Therefore, Jean Luc Brunel is clearly one of the most talented professionals working in the world today. I look forward to seeing more of his work in the future.

Sincerely Yours,

Nadia Canova
montage

NORDSTROM

September 17, 2014

USCIS
Vermont Service Center
75 Lower Welden Street
St. Albans, VT 05479-0001

RE: O-1 Non-immigrant Visa Petition on behalf of Jean Luc Brunel

Dear Sir or Madam:

I would like to extend my full and unqualified support for the extraordinary ability O-1 visa petition submitted by Mr. Jean Luc Brunel. As the Senior Talent Producer for Nordstrom, I am qualified to say that Mr. Jean Luc Brunel is an art director and talent coordinator of the highest caliber whose technical excellence and creative vision have lifted him to the top of his profession.

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I can confidently testify that Mr. Jean Luc Brunel's reputation has achieved international stature. He has reached a level where industry leaders now describe him as a "star". Jean Luc Brunel's extraordinary career is at a point where there is no turning back.

Sincerely,

Liza Maslow

Liza Maslow
Senior Talent Producer
Nordstrom

Recommendation Letter

22/09/14

USCIS
Vermont Service Center
75 Lower Welden Street
St. Albans, VT 05479-0001

RE: O-1 Non-immigrant Visa Petition on behalf of Jean Luc Brunel

Dear Sir or Madam:

It is an extreme pleasure to write a letter of recommendation for Mr. Jean Luc Brunel. I provide this recommendation based on my knowledge and experience in the field of modeling, due to my established reputation and work in the field as the Vladimir Yudashkin, director of 1 Mother Agency, Kiev, Ukraine

I have known Jean Luc Brunel professionally for several years through our work together and, in my opinion, he is an extremely talented individual with superb professional reputation. He is an extraordinarily able coordinator who strives for and attains a level of merit in his work that only a few of his contemporaries meet. He has the ability to recognise the creative vision of his client within the time and budget through his careful and thoughtful choice of model casting combined with his meticulous ability in the field. Jean Luc Brunel is a true find in our industry.

There are plenty of art directors out there, but none with the depth and quality that Mr. Brunel possesses. He is unlike anyone in this industry, and I expect to see him continue to find great models in his successful career. Someone overflowing with talent as Jean Luc Brunel should be given every opportunity to work in the United States, where he will have the proper venues to showcase his extraordinary talents.

Please do not hesitate to contact me should you have any questions regarding this matter. Thank you for your time and consideration.

Sincerely,

Vladimir Yudashk[illegible]

FiGaro
THE AGENCY OF [illegible] MODELS
[illegible]
[illegible]

Number: 06171401
June 17, 2014

Department of Homeland Security
United States Citizenship and Immigration Services
Vermont Service Center
30 Houghton Street
Saint Albans, VT 05478

Dear Sirs
Re: O-1 Extraordinary Ability as an Art Director and Talent Coordinator on behalf of Jean-Luc Didier Henri-Rene Brunel

I relish the opportunity to write this letter in support of Mr. Jean Luc Brunel petition to work as an Art Director and Talent Coordinator in the United States.

As a talent coordinator, Mr. Brunel's success can and should be measured with the successful careers the models, whose careers he launched, have achieved. Mr. Brunel has discovered and represented various super models throughout his career. Christy Turlington, who was discovered by Mr. Brunel, has personified unaffected beauty representing Calvin Klein's fragrances since 1987. Turlington, as well as another model represented by Mr. Brunel, Naomi Campbell, became one of the few supermodels who managed to make an easy transition from the haute glamour of the 1980's to the relaxed simplicity of the following decade. Throughout her extensive career, and as a result of Mr. Brunel's "Fashion- Savvy Eye", Christy Turlington has graced the cover of hundreds of fashion magazines, such as Cosmopolitan, W, Vogue, Shape, Fitness, Elle, Bazaar, Marie Claire, Harper's, Esquire, and even Time Magazine.

Mr. Brunel has also launched the extremely successful careers of supermodels such as Rachel Hunter, Sharon Stone, Monica Belucci, Estella Warren, and Christina Semonnovskaya. These women all proceeded to become some of the most photographed international cover models in the world, appearing on thousands of magazine covers worldwide and spanning many years. As a result of his reputation as a highly visible, strategic networker who cultivates and conducts business in a global environment and broken lucrative deals, many top players in the fashion and entertainment field requested that Mr. Brunel function as their exclusive agent and representative.

We have had more than gratifying experience working with Mr. Jean Luc Brunel, coordinating big fashion events and the opportunity for him to find top new talents to represent in the United States through our agency.

Please do not hesitate to contact me if you have any questions.

Sincerely

Ala Amantova
Director

FIGARO INTERNATIONAL [illegible]

MODELWERK

MODELAGENTUR GmbH
ROTHENBAUMCHAUSSEE 1 · 20148 HAMBURG
TEL.: 0049-40-41 79 29 · FAX: 0049-40-41 79 [illegible]
www.modelwerk.de

Hamburg 8 July, 2014

Department of Homeland Security
United States Citizenship and Immigration Services
Vermont Service Center
30 Houghton Street
Saint Albans, VT 05478

Re: O-1 Extraordinary Ability as an Art Director and Talent Coordinator on behalf of Jean-Luc Didier Henri-Rene Brunel

To Whom It May Concern:

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Mr. Brunel holds an international reputation as a visible, strategic networker who is able to cultivate expert relationship management skills in order to conduct business in a global environment and broker lucrative deals. Mr. Brunel has a long history in marketing and advertising major fashion campaigns. Throughout his twenty-five year career in the fashion business, Mr. Brunel has developed worldwide, exclusive modeling and cosmetic campaigns. Some of these major cosmetic campaigns include: Bio Therm with supermodel Elle McPherson, PHAS with Rebecca Romijn, Christian Dior with Christina Semonnovskaya, Margret Astor with Monica Bellucci, Chanel with Patricia Von Rickenheim, Angel Perfume with Thierry Mugler, and Cacharel Perfume with Alda Ballestro. Mr. Brunel has also developed major fashion campaigns and has developed campaigns and exclusive contracts with some of the world's top fashion designers such as

Yves Saint Laurent, Chanel, Christian Dior, Gucci, Prada, and Marc Jacobs.

In addition to Mr. Jean Luc Brunel's extensive business qualifications, his career as an individual with artistic vision and creative talents has helped him find top fashion models to represent in the United States.

Should you have any questions about Mr. Jean Luc Brunel qualifications feel free to contact me.

Sincerely,

Claudia Midolo
President
Modelwerk Modelagentur GmbH

Modelwerk
Modelagentur GmbH
[illegible]
20[illegible] Hamburg
Tel. [illegible] 30 73 - 0
Fax: 040 / 88 30 73 100

Natalie
MODEĻU AĢENTŪRA

July 8, 2014

Department of Homeland Security
United States Citizenship and Immigration Services
Vermont Service Center
30 Houghton Street
Saint Albans, VT 05478

Re: O-1 Extraordinary Ability as an Art Director and Talent Coordinator on behalf of Jean-Luc Didier Henri-Rene Brunel

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Sincerely.

Erik Melsons

Vermont Service Center
Attn: Premium Processing Unit
30 Houghton Street
St. Albans, Vermont 05478-2399

U.S. Citizenship
and Immigration
Services

Facsimile Transmission

To:	LUIS FONT	**Fax Number:**	19542414272
Number of pages including cover:		**Date:**	September 5, 2014
From:	Vermont Service Center – Premium Processing Unit	**Fax Number:**	802-288-1778
Email:	VSC.PREMIUM.PROCESSING@DHS.GOV	**Phone:**	1-866-315-5718
Receipt Number:			

Attached you will find a copy of our decision concerning your case

The original decision will follow via mail If eligible to appeal our decision appeal forms will be included

ImportantImportant***Important***Important***

If responding to a Request for Evidence or Intent to Deny, ensure you include a copy of the decision immediately following your cover page and indicate the total number of pages included with your response Please include the case receipt number (e g EAC01 000 12345) with all correspondence

Ensure when responding to this request that you fax your response to our **NEW FAX NUMBER - 802-288-1778**

If you wish to mail a response, it must be sent to the VSC Premium Processing Unit at 30 Houghton Street, St Albans, VT 05478-2399 Do not send your response to the 75 Lower Welden Street address, as that will cause delays and will not restart the premium processing clock until the response is identified as a premium processing case

Title 8 CFR Section 103 2(b)(11) Submission of evidence in response to a Service request states

All evidence submitted in response to a Service request must be submitted at one time The submission of only some of the requested evidence will be considered a request for a decision based on the record

This communication is intended for the sole use of the individual to whom it is addressed and may contain information that is privileged confidential and exempt from disclosure under applicable law If the reader of this communication is not the intended recipient or the employee or agent for delivering the communication to the intended recipient you are hereby notified that any dissemination distribution or copying of this communication may be strictly prohibited If you received this communication in error please notify the sender immediately by telephone and return the communication at the address above via United States Postal Service Thank you

www.uscis.gov

U S Department of Homeland Security
U S Citizenship and Immigration Services

Notice of Action
Page 1 of 4

Applicant/Petitioner A #	Application/Petition Petition For A Nonimmigrant Worker (form I129)
Notice Date August 26, 2014	**Response due by** November 21, 2014

MC2 MODELS MIAMI LLC
LUIS FONT
FONT LAW GROUP PA
3440 HOLLYWOOD BLVD STE 415
HOLLYWOOD FL 33021

EAC1422550803
EAC1422550803

Applicant/Petitioner MC2 MODELS MIAMI LLC
Beneficiary BRUNEL JEAN LUC
Receipt Number EAC1422550803(I129)

PREMIUM PROCESSING

IMPORTANT THIS NOTICE CONTAINS YOUR UNIQUE NUMBER AND MUST BE SUBMITTED IN THE ORIGINAL WITH THE REQUESTED EVIDENCE

1 U S Citizenship and Immigration Services (USCIS) requires additional evidence to process your form Please provide the evidence listed on the attached page(s) For Form I-129 only, if you are requesting consulate embassy notification, provide the requested evidence in duplicate

2 Your response must be received in this office on or before November 21 2014 Please note the required deadline for providing a response to this Request for Evidence The deadline reflects the maximum period for responding to this RFE However, since many immigration benefits are time sensitive, you are encouraged to respond to this request as early as possible but no later than the date provided on the request You will not be granted an extension of time to submit the requested evidence

3 You must submit all requested evidence at the same time If you submit only some of the requested evidence, USCIS will consider it a request for a decision on the record [8 CFR 103 2(b)(11)]

4 You will be notified separately about any other applications or petitions you have filed

5 From the date this office receives your resubmission, a minimum of 14 days will be required to process your form If you have not heard from USCIS within 30 days, you may contact this office at (866) 315-5718

6 Mail this notice and your response to

VSC Premium Processing
Vermont Service Center
30 Houghton Street
St Albans VT 05478-2399
vsc-premium processing@dhs gov

EAC1422550803(I129)

Responses (for Premium Processing cases only) may be faxed to (802) 288-1778 Include a copy of this notice The e mail address may only be used for inquiries Do not send responses to the e mail address

I-129 O-1B Extraordinary Ability in the Arts

You MC2 Models Miami LLC filed Form I-129 Petition for Nonimmigrant Worker seeking O-1B nonimmigrant classification for Jean Luc Brunel as an Art Director / Talent Coordinator

The O 1B classification applies to individuals with extraordinary ability in the arts The individual must have sustained national or international acclaim His or her achievements must be in the field of expertise and show a record of prominence in his or her field

To process your petition and determine if the beneficiary is eligible additional information is required This request provides suggested evidence that you may submit to satisfy each requested item You may

- Submit one some or all of these items
- Submit none of the suggested items and instead submit other evidence to satisfy the request
- Explain how the evidence in the record already establishes eligibility
- Request a decision based on the record

Note, however, that you are responsible for providing evidence that best shows that you and the parties to this petition meet all requirements. Evidence must show that all parties were eligible for the requested benefit when you filed Form I 129

General Requirements for All O Nonimmigrant Petitions

In general petitions seeking O nonimmigrant classification must include

Copies of contracts
A description of the competition(s) event(s) or performance(s) and
At least one consultation

To satisfy these requirements you submitted

- Your letter in support of the petition and
    - Peer letters in support of the beneficiary from Claudia Midolo and Alla Amantova

Beneficiary s Previous O-1 Status
Petitions involving an extension of status for a beneficiary that has previously been granted O 1 nonimmigrant status may be given deference however U S Citizenship and Immigration Services (USCIS) is authorized to question extension petitions when a substantial change in circumstances occurs when relevant facts change from one petition to another or when the prior approval may have been based on gross USCIS error

You indicate that the beneficiary was previously granted O-1 nonimmigrant status with your company The details of the beneficiary s previous employment with your company are not documented in the instant petition A review of the evidence submitted indicates that if the beneficiary's role within your organization has remained unchanged the previous petition may have been approved in error, as the list of duties you provided do not appear to describe a

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position in the arts

In addition no evidence has been submitted to support your claim that the beneficiary is an individual who has extraordinary ability in the arts that has been demonstrated by sustained national or international acclaim You have documented the beneficiary s past success in the business of forming and operation modeling agencies but this evidence points to the beneficiary's ability on the field of business not the arts Therefore you are asked to comply with the following

Contracts
Petitions seeking O nonimmigrant classification must include a copy of a contract between the beneficiary and either the petitioner or the employer If a written contract does not exist you may submit a detailed summary of the terms of the oral agreement between the beneficiary and either the petitioner or the employer

You did not submit any evidence for this requirement You may still submit evidence to satisfy it

Written contracts or the summary of the terms of an oral agreement must specify the terms and conditions of the employment or services They must

Specify the wage offered and explain the terms and conditions under which the beneficiary will perform these services, and
- Detail any additional services provided

Nature of the Event or Engagement
You must provide an explanation of the competition event or performance in which the beneficiary will participate An event means an activity such as a scientific project conference convention lecture series academic year or engagement during the requested validity period

The description you submitted is insufficient In your latter you list the duties of the proffered position as

- Responsible for overseeing the artistic aspects of the agency (select the images placed on the models business cards and in their portfolios)
  Coordinate the pairing of models with photographers
  Direct the marketing of models to clients
  Travel around the world to discover new talent and to sign them with MC2 Models and
  Establish relationships with agencies around the world and negotiate representation agreements

The duties you describe appear to relate exclusively to the maintenance of business operations of a modeling agency As previously stated you have documented the beneficiary s past success in forming and operating modeling agencies however this evidence points to the beneficiary s ability in the field of business not the arts It is not evident therefore that the O 1B nonimmigrant classification is appropriate in the instant case

Regulations define the "arts" as any field of creative activity or endeavor such as but not limited to fine arts visual arts culinary arts and performing arts Aliens engaged in the field of arts include not only the principal creators and performers but other essential persons such as but not limited to directors set designers lighting designers sound designers choreographers choreologists conductors orchestrators coaches arrangers musical supervisors costume

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EAC1422550803(I129)

designers makeup artists flight masters, stage technicians, and animal trainers

The duties you describe correspond to business and management functions not to a position in the arts Before adjudication of your petition can proceed this discrepancy must be resolved

You may still submit evidence to satisfy this requirement

The description must include

- An explanation of the nature of the events or activities,
  Beginning and ending dates of the events or activities, and
- A copy of any itinerary that shows dates name(s) of the employer(s) and location of the event(s)

You must establish that the proffered position qualifies as a position in the arts as described above Any and all claims must be fully supported by documentary evidence

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FONT LAW GROUP, P.A.
3440 Hollywood Boulevard, Suite 415
Hollywood, FL 33021
Tel.: (954) 241-4271 Fax: (954) 241-4272

November 3, 2014

Director
United States Citizenship& Immigration Services
Vermont Service Center
75 Lower Welden Street
Saint Albans, VT 05479

RE: **NOTIFICATION OF WITHDRAWAL OF I-129 PETITION
WITHOUT PREJUDICE BY PETITIONER
EAC-14-225-50803
Petitioner: MC2 MODELS MIAMI LLC
Beneficiary: JEAN LUC DIDIER HENRI RENE BRUNEL**

Dear Sir/Madam:

Please be advised that this office represents the above referenced petitioner and beneficiary in this immigration matter and a G-28 from our office is on file.

THE PETITIONER, MC2 MODELS MIAMI LLC HEREBY NOTIFIES USCIS THAT IT WISHES TO WITHDRAW I-129 O-1 PETITION #EAC-14-225-50803. The petitioner requests withdrawal of this I-129 petition without prejudice. Please note this request for the record in the above referenced case.

We respectfully request that you send us verification of this withdrawal pursuant to the regulations contained in 8 C.F.R. Sec. 103.2 (b) (15).

Kindly send our office a written verification of this withdrawal located at:

Font Law Group, P.A.
3440 Hollywood Boulevard, Suite 415
Hollywood, FL 33021

Thank you for your attention to this matter.

Sincerely,

Luis Font, Esq.
Attorney-of-Record

-------- Original message --------
From: Jeff Fuller
Date:11/12/2014 11:49 (GMT-05:00)
To: Jean Luc Brunel
Subject: RE: New York

Jean Luc,

I am really sorry you feel so bad and I know it has been a mental and psychological frustration. As you know I chose to partner with you due to your reputation in the business for being a top scout and developing a couple world class agencies in the past. I knew what you could bring and I knew what I could bring and contribute and I thought it would be a great partnership. Clearly, I never expected to have the level of challenges we have had recruiting new models over the last several years. I could have never foreseen the problem of your friendship with Jeffrey Epstein turning into the situation it has where you are seen as guilty by association when you have never done anything or even been convicted of a crime. Frankly, I don't understand the necessity for Conchita Sarnoff or anyone else to continue to defame your name and MC2 by association.

It is true that we constantly have to justify ourselves when recruiting new models. The industry is extremely competitive and as a parent myself if faced by the same information and having to make a tough decision between too agencies I would not pick MC2 if I saw the article online about you. You have to read closely to see there is not a charge against you but the implication is strong and of course now days everyone believes everything they read online even more than the traditional newspapers of the past.

I know you are now feeling like a liability to MC2. But you personally are not a liability to MC2 but this published information online is a liability. We are not a large enough company, nor do we have the capacity to fight this on a global level. On a google search in America we have put enough information online to not have it popping up so blatantly but we have no controls over the rest of the world or the finances to control this situation and we are affected as every major model agency recruits it's best models from all the various countries abroad. This has stunted our growth and our billing over the past 6 or 7 years. In fact, we do not even know who avoids us based on finding this information. I have been surprised how challenging it is for us to grow due to this problem.

I have also had a tremendous amount of worries from our clients that we are vendors for that are large American corporations likes Kohls, JC Penney, Sears, Nordstrom, Target, Neiman Marcus, Macys, Saks, Belk, and so forth that require vendor agreements and for us to be considered an upstanding company. It really worries me as some of those companies have disassociated themselves from what

EXHIBIT K

they believe to be questionable companies. So far that has not been a problem but it could come up in the future.

The fact that you are requested for so many scouting events in various countries and cannot promote yourself properly to promote MC2 in the press due this problem has it's own sent of repercussions in terms of our global branding. In short, it has had a terrible effect on MC2 all around. I really urge you to solve this problem and get this removed from the internet so we can grow for the future. I've fought for MC2 and been extremely loyal but I must confess that I have even been feeling inadequate and questioning my ability as the leader of the organization. I can only attribute the fact that we have scraped by in the recession and barely survived in the past to your hard work, my hard work, and the tenacity of both of us combined.

I can only imagine that if I am feeling inadequate and frustrated over a lack of growth of our company that you must feel even worse as you have had much greater success in your career and have operated at much higher standards in our industry in all areas from reputation, respect, admiration and monetary gains. I can even surmise you are probably feeling a level of depression and I have seen it in your highs and lows and when you have voiced your frustration. While I know you well and recognize you don't really go for the kind of advice I will offer; however, I think you should at least speak to someone neutral such as a therapist or a counselor to let your frustrations out and if you don't feel better and are still feeling down or depressed to see a medical doctor for your condition. You are such a positive person I hate to see you fighting what you feel is a hopeless battle. It is not hopeless you just need find a way to get that information offline and begin to repair your reputation. In the end I am afraid the damages are a lot more than you realize but let's keep fighting and moving forward as we have no choice.

Thanks,

Jeff

Jeff Fuller

President

MC2 Model Management USA

EXHIBIT K

FROM: JACQUIE JOHNSON <JJOHNSON@RRA-LAW.COM>
DATE: SEPTEMBER 18, 2009 3:57:44 PM EDT
TO: "'TAMA@TKUDMANLAW.COM'" <TAMA@TKUDMANLAW.COM>
CC: "BRADLEY J. EDWARDS" <BEDWARDS@RRA-LAW.COM>
SUBJECT: EPSTEIN - DEPO OF JEAN LUC BRUHNEL

We have confirmation for Mr. Bruhnel's deposition on 11/3. We will commence at 10:00 a.m. if that is ok with you.

Jacquie Johnson
Legal Assistant to
Brad Edwards, Esq.
Partner
Rothstein Rosenfeldt Adler
401 East Las Olas Blvd.
Suite 1650
Fort Lauderdale, FL 33301
Telephone 954 315 7264
Fax 954 527 8663
Jjohnson@rra-law.com

EXHIBIT L

-----Original Message-----
From: Tama Beth Kudman <tama@tkudmanlaw.com>
Date: Monday, November 16, 2009 at 7:48 PM
To: Jean Luc Brunel <2jeanluc@gmail.com>
Subject: Re: Hi

>All depos are cancelled for now. A letter confirming this is being
>Sent out today. We have no idea how long this shall delay things. I'll
>let Michael know.
>
>Sent from my iPhone
>Tama Beth Kudman

EXHIBIT M

From: "Dr. Royce Jalazo" <dynamicbeh@gmail.com>
To: joetitone708@comcast.net
Sent: Tuesday, December 23, 2014 2:40:59 PM
Subject: Jean Luc Brunel

Mr. Titone,

Please accept this email as my formal notification that Mr. Jean Luc Brunel attending an outpatient individual psychotherapy session with me on 12/12/14.

Thank you,
--
Royce N. Jalazo, Psy.D.
Licensed Psychologist

Dynamic Behavioral Consulting
a DBA of Dr. Royce Jalazo, P.A.
1975 E. Sunrise Blvd., Suite 532
Ft. Lauderdale, FL 33304

Direct (With Voicemail): 954-232-7092
Toll Free Fax: 888-236-6979 or 954-208-3400

E-mail: DynamicBeh@gmail.com
Website: www.DynamicBeh.com

EXHIBIT N

DYNAMIC
BEHAVIORAL
CONSULTING
Psychotherapy · Evaluations · Consultations

Client Progress / Informational Notation
Dynamic Behavioral Consulting
1975 E. Sunrise Blvd, Suite 532
Ft. Lauderdale, Florida 33304-1413

Client: Jean Luc Brunel **Date:** 12/12/14 **M T W TH FR SA SU**
Service: ☑ Individual Session ☐ Family Session **Time:** 3:15 a.m. / p.m. 4:05 a.m. / p.m.
Session #: **Duration:** 50 minutes
☑ face-to-face ☐ telephonic

Hyperverbal in his speech, hyper-motoric movements, very dramatic, jumps from topic-to-topic

MOOD, *(as client reports/observed)*

☐ Calm/Euthymic	☐ [✓ Cheerful/Happy]	☑ [✓ Irritable/Angry]	☐ brooding
☐ Fearful/Anxious	☐ Depressed/Sad	☑ Tearful	☐ Other:
☐ Hopeless	☐ Pessimistic	☐ Neutral	
☐ Other, explain			

AFFECT, *(check one)*

☐ Appropriate	☐ Inappropriate	☐ Labile	☑ Dramatized
☐ Blunted / Restricted	☐ Flat	☐ Slightly Intense	☐ Unknown (telephonic session)

Vacillation between cheerful (making jokes) to irritable statements

SESSION CONTENT:

Mr. Jean Luc Brunel is a 68-year old divorced Parisian-American male who is seeking psychotherapy due to a subjective sense of depression related to what he believes is a loss of business. His modeling agency as a result of slander publically against his business. Mr. Brunel reported that in 2008 a friend was convicted of a sex offense (having sexual relations with an underaged girl) and that after he was arrested and served jail time, a local journalist began publishing on the internet that his company, MC2, was involved in sex-trafficking, an allegation that he vehemently denies. Patient reports depressed mood of 6-7 on scale of 0-10 with 10 showing most severe; reports sleep disturbance, but able to maintain sleep with sleep aids.

PSYCHOTROPIC MEDICATION: *(circle and check all that apply)*

Was patient *referred for psychiatric evaluation by undersigned and/or prescribed psychotropic medications by a psychiatrist* but is presently non-compliant? ☐ Y ☐ N Comment:
Is patient current taking psychotropic medications: ☐ Y ☐ N Type / Dosage:
Compliant as prescribed? ☐ N/A ☐ Y ☐ N Comment:

MOTIVATION FOR TREATMENT/CHANGE:

☐ Highly motivated ☐ Reasonably motivated ☐ Poorly motivated ☐ Unmotivated

DISPOSITION:

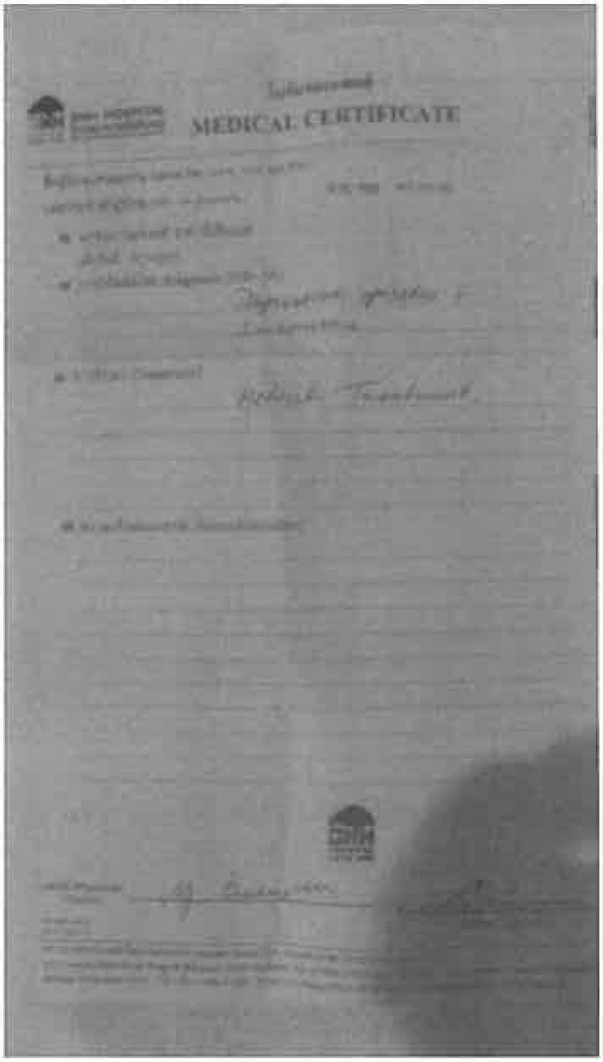
☐ Continue Treatment ☐ Termination of Treatment ☐ Refer to psychiatrist / other provider / Reason:
☐ Other:

Personality Disorder, Unspecified
Adjustment Disorder with Depressed and Anxious Moods.

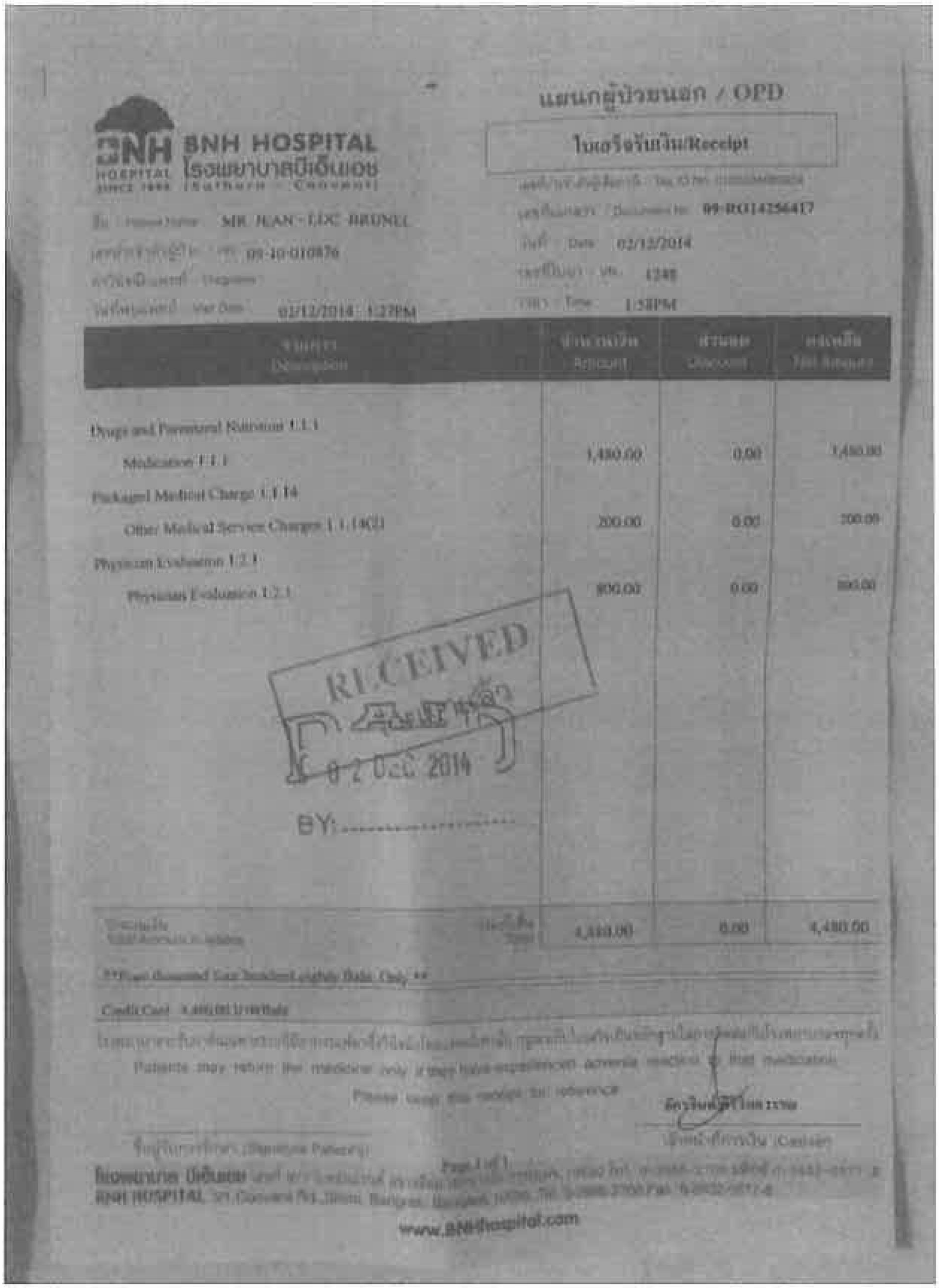
Royce N. Jalazo, Psy D.
Licensed Psychologist #PY 7671

EXHIBIT O

COMPOSITE EXHIBIT P – MEDICAL HISTORY



MEDICAL CERTIFICATE



แผนกผู้ป่วยนอก / OPD

BNH HOSPITAL
โรงพยาบาลบีเอ็นเอช
HOSPITAL SINCE 1898 (Suthorn - Convent)

ใบเสร็จรับเงิน/Receipt

[illegible] Patient Name: MR JEAN - LUC BRUNEL	[illegible]
[illegible] HN: 09-10-010876	[illegible] Document No: 09-RO14256417
[illegible] Diagnosis:	วันที่ Date: 02/12/2014
[illegible] Visit Date: 02/12/2014 1:27PM	[illegible] VN: 1248
	เวลา Time: 1:58PM

รายการ Description	จำนวนเงิน Amount	ส่วนลด Discount	คงเหลือ Net Amount
Drugs and Parenteral Nutrition 1.1.1			
Medication 1.1.1	3,480.00	0.00	3,480.00
Packaged Medical Charge 1.1.14			
Other Medical Service Charges 1.1.14(2)	200.00	0.00	200.00
Physician Evaluation 1.2.1			
Physician Evaluation 1.2.1	800.00	0.00	800.00
[illegible] Total Amount in Letters	รวมทั้งสิ้น Total 4,480.00	0.00	4,480.00

RECEIVED
02 DEC 2014
BY:..........................

**Four thousand four hundred eighty Baht Only **

Credit Card 4,480.00 บาท/Baht

[illegible]

Patients may return the medicine only if they have experienced adverse reaction to that medication.

Please keep this receipt for reference.

[illegible]

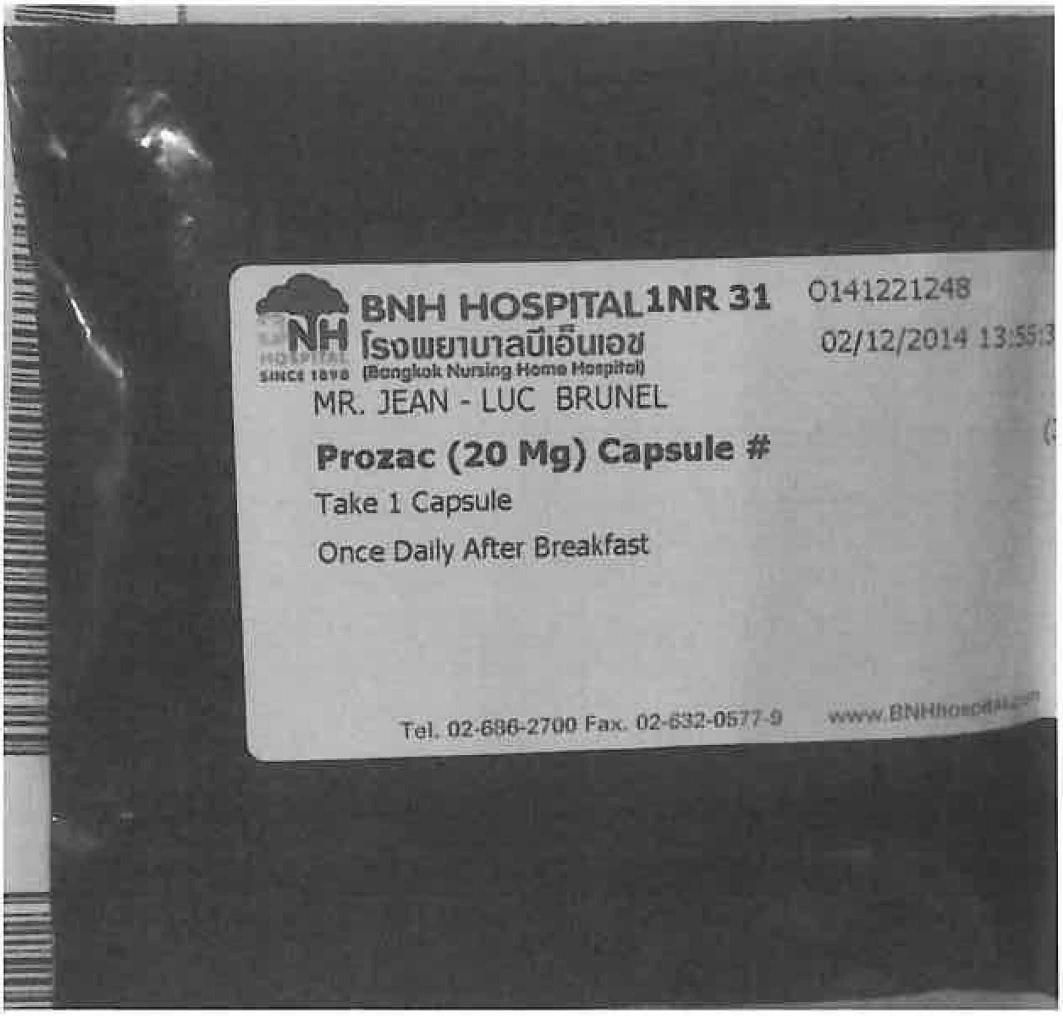
ลายมือชื่อผู้รับยา (Signature Patient)

เจ้าหน้าที่การเงิน (Cashier)

Page 1 of 1

โรงพยาบาล บีเอ็นเอช [illegible]
BNH HOSPITAL 9/1 Convent Rd.,Silom, Bangrak, Bangkok 10500 Tel. [illegible] Fax. [illegible]

www.BNHhospital.com



BNH HOSPITAL **1NR 31** 0141221248

โรงพยาบาลบีเอ็นเอช

(Bangkok Nursing Home Hospital)

02/12/2014 13:55:3

MR. JEAN - LUC BRUNEL

(

Prozac (20 Mg) Capsule #

Take 1 Capsule

Once Daily After Breakfast

Tel. 02-686-2700 Fax. 02-632-0577-9 www.BNHhospital.com

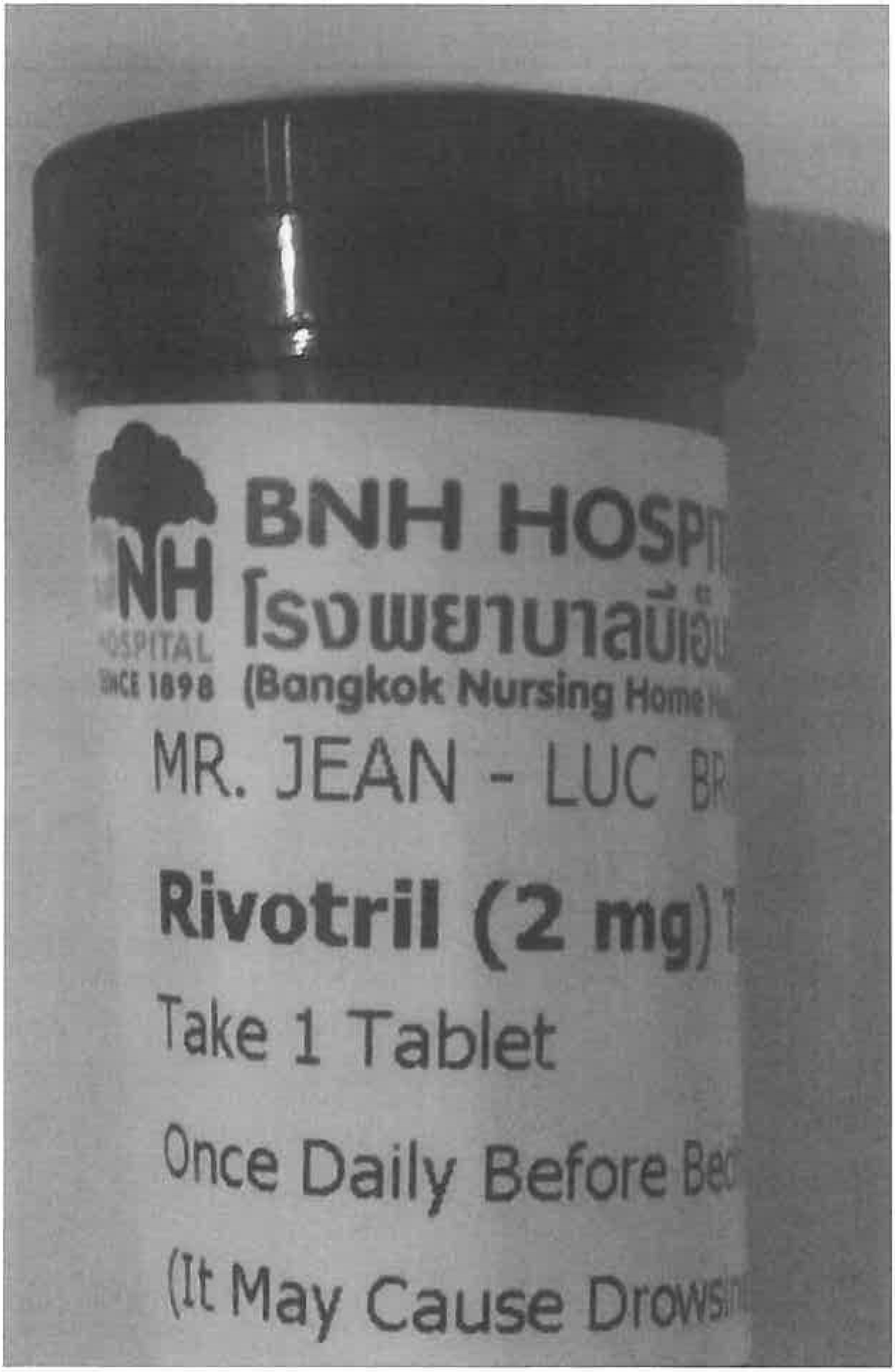
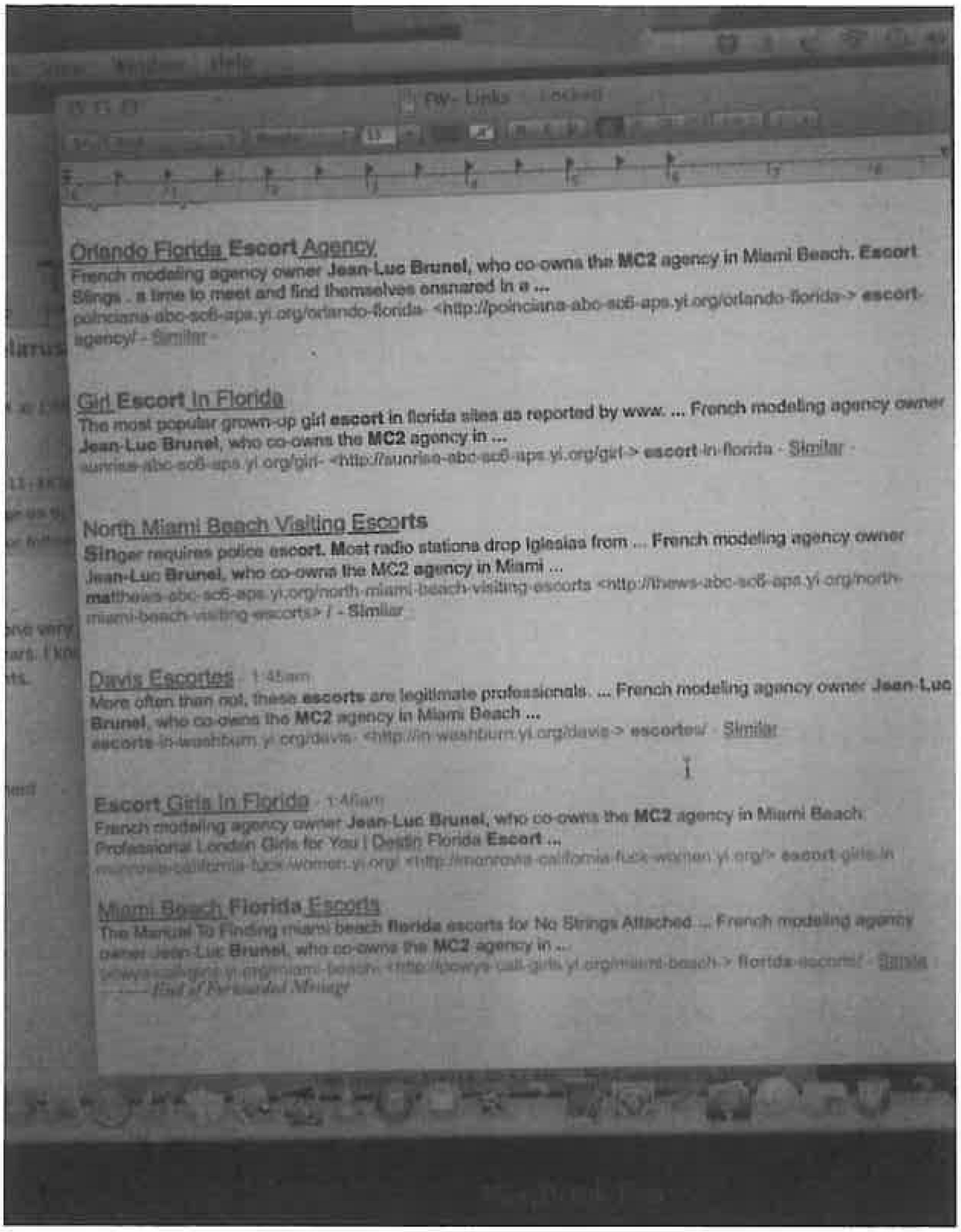

BNH HOSP
โรงพยาบาลบีเอ็
(Bangkok Nursing Home
NH
HOSPITAL
SINCE 1898
MR. JEAN - LUC BR
Rivotril (2 mg)
Take 1 Tablet
Once Daily Before Be
(It May Cause Drows

EXHIBIT Q



Orlando Florida Escort Agency
French modeling agency owner **Jean-Luc Brunel**, who co-owns the **MC2** agency in Miami Beach. **Escort** Slings . a time to meet and find themselves ensnared in a ...
poinciana-abc-so6-aps.yi.org/orlando-florida- <http://poinciana-abc-so6-aps.yi.org/orlando-florida-> **escort**-agency/ - Similar -

Girl **Escort** In Florida
The most popular grown-up girl **escort in** florida sites as reported by www. ... French modeling agency owner **Jean-Luc Brunel**, who co-owns the **MC2** agency in ...
sunrise-abc-so6-aps.yi.org/girl- <http://sunrise-abc-so6-aps.yi.org/girl-> **escort**-in-florida - Similar -

North Miami Beach Visiting Escorts
Singer requires police **escort. Most** radio stations drop Iglesias from ... French modeling agency owner **Jean-Luc Brunel**, who co-owns the MC2 **agency** in Miami ...
matthews-abc-so6-aps.yi.org/north-miami-beach-visiting-escorts <http://thews-abc-so6-aps.yi.org/north-miami-beach-visiting-escorts> / - **Similar**

Davis Escortes - 1:45am
More often than not, these **escorts** are legitimate professionals. ... French modeling agency owner **Jean-Luc Brunel**, who co-owns the **MC2** agency in Miami Beach ...
escorts-in-washburn.yi.org/davis- <http://in-washburn.yi.org/davis-> **escortes**/ - Similar

Escort Girls In Florida - 1:45am
French modeling agency owner **Jean-Luc Brunel**, who co-owns the **MC2** agency in Miami Beach.
Professional London Girls for You | Destin Florida **Escort ...**
monrovia-california-fuck-women.yi.org/ <http://monrovia-california-fuck-women.yi.org/> **escort**-girls-in

Miami Beach **Florida** Escorts
The Manual To Finding miami beach **florida** escorts for No Strings Attached ... French modeling agency owner Jean-Luc **Brunel**, who co-owns the **MC2** agency in ...
powys-call-girls.yi.org/miami-beach- <http://powys-call-girls.yi.org/miami-beach-> florida-escorts/ - Similar -
------- *End of Forwarded Message*

EXHIBIT Q

http://www.politico.com/blogs/under-the-radar/2014/12/court-filing-levels-sex-claims-at-alan-dershowitz-200495.html

Woman who sued convicted billionaire over sex abuse levels claims at his friends

By JOSH GERSTEIN |

12/31/14 6:38 PM EST

A woman allegedly kept as a sex slave by politically-connected billionaire investor Jeffrey Epstein, who went to jail for having sex with underaged girls, is accusing several prominent friends of the financier of having taken part in the debauchery, according to a new court filing.

The woman—referred to in court papers as Jane Doe #3—leveled the allegations Tuesday against Harvard Law School professor Alan Dershowitz and Britain's Prince Andrew, as well as British socialite Ghislaine Maxwell and French model scout Jean Luc Brunel.

Dershowitz flatly denied the claims about him Wednesday in an interview with POLITICO.

"It's totally, unequivocally and completely false," the celebrated attorney said.

A spokesman for Prince Andrew denied the allegations Friday, while a lawyer who handled related matters for Maxwell did not respond to an e-mail seeking comment. Representatives of Brunel's modeling firm also did not reply to e-mail messages.

The accusations came in a long-running lawsuit charging federal prosecutors in Florida with violating a victims-rights law by failing to consult with Epstein's victims before signing off on a plea deal. That pact ruled out any federal prosecution of the investor, who agreed to plead guilty to two state prostitution-related felony charges. Lawyers for the victims have described the arrangement as a sweetheart deal the well-connected Epstein and his high-powered legal team achieved by putting pressure on prosecutors.

Epstein served 13 months of an 18-month sentence on the two state charges before being released in 2009. He's now a registered sex offender.

The new court filing, submitted by Florida lawyer Brad Edwards and former federal judge Paul Cassell in a federal court in West Palm Beach, Fla., asked that Jane Doe #3 and another woman be allowed to join the pending case over the victims' rights claim.

"Epstein…trafficked Jane Doe #3 for sexual purposes to many other powerful men, including numerous prominent American politicians, powerful business executives, foreign presidents, a well-known Prime Minister, and other world leaders. Epstein required Jane Doe #3 to describe

EXHIBIT R

the events that she had with these men so that he could potentially blackmail them," the court filing said.

"One such powerful individual that Epstein forced then-minor Jane Doe #3 to have sexual relations with was former Harvard Law Professor Alan Dershowitz, a close friend of Epstein's and well-known criminal defense attorney. Epstein required Jane Doe #3 to have sexual relations with Dershowitz on numerous occasions while she was a minor, not only in Florida but also on private planes, in New York, New Mexico, and the U.S. Virgin Islands," the legal pleading added.

Dershowitz called the allegations "totally made up and totally fabricated from beginning to end." He said he was not in the places described in the filing at the relevant times, with one exception: he did visit Epstein's private island in the Caribbean on one occasion.

"I was there with my family," the renowned law professor said.

Dershowitz said in a follow-up interview after this post first appeared Wednesday that he's planning to file bar complaints against Edwards and Cassell for inadequately vetting their client's story.

"I'm planning to file disbarment charges against the two lawyers who signed this petition without even checking the manifests of airplanes or travel itineraries, et cetera," he said. "I'm also challenging the young woman and the lawyers to level those charges against me outside of the courtroom, so that I can sue them for defamation.....Finally, I'm challenging the woman to file criminal charges against me because the filing of false criminal charges is a crime."

The motion accuses Prince Andrew of similar actions, asserting that "Jane Doe #3 was forced to have sexual relations with this Prince when she was a minor in three separate geographical locations: in London (at Ghislaine Maxwell's apartment), in New York, and on Epstein's private island in the U.S. Virgin Islands (in an orgy with numerous other under-aged girls)."

Previous press accounts have reported on Prince Andrew's friendship with Epstein, who was known as a philanthropist and supporter of scientific research before the criminal investigations began nearly a decade ago. However, the earlier accounts stopped short of accusing the prince of sexual involvement with girls Epstein procured. In a 2011 Vanity Fair story, Prince Andrew denied any such contact.

While a Buckingham Palace spokesman did not respond to POLITICO's query about the matter on Wednesday, the palace issued a denial to several British news outlets Friday. "This relates to long-standing and ongoing civil proceedings in the United States, to which The Duke of York is not a party. As such we would not comment on the detail. However, for the avoidance of doubt, any suggestion of impropriety with underage minors is categorically untrue," the statement said.

Prosecutors said in a 2007 draft letter they'd identified 40 young women who could be considered victims of Epstein's illegal acts. Many of them filed lawsuits or claims against Epstein and reached out-of-court settlements for amounts that were not disclosed.

EXHIBIT R

While "Jane Doe #3" is unidentified in this week's court filing, her story appears to track with that of a woman who sued Epstein in 2009 and settled with him later that year. She apparently granted an on-the-record interview to Britain's Daily Mail in 2011.

Some of the fascination with Epstein on the part of tabloids and glossy magazines stems from his ties to former President Bill Clinton. In 2002, Epstein provided his 727 to Clinton for a trip to Africa to study anti-AIDS programs. Celebrities such as Chris Tucker and Kevin Spacey came along for the ride. The new court filing makes no mention of Clinton, Tucker or Spacey.

The federal investigation obtained manifests for Epstein's private jet travel, but prosecutors never charged anyone besides the investor with involvement in obtaining or using underaged girls for sexual purposes.

The new court filing says this result is in part due to the fact that Epstein's legal team—which included such heavyweights as former independent counsel and solicitor general Ken Starr, trial lawyer Roy Black, and Dershowitz—negotiated a deal that precluded the feds charging anyone as a co-conspirator.

Lawyers for Jane Doe #3 argue in the new motion that Dershowitz put this language in the agreement to protect himself.

However, the law professor told POLITICO he didn't negotiate that deal and it wasn't aimed at protecting him. "I had nothing to do with drafting the non-prosecution agreement," he said.

Dershowitz added that the last draft of the agreement mentioned four people by name who wouldn't be prosecuted and he was not among them. All were regular associates or assistants of Epstein, the lawyer said, adding that the final language removed those names and simply barred federal prosecutors in South Florida from going after any potential co-conspirators.

Epstein and his lawyers fought hard to prevent records about his plea negotiations from being turned over to victims' attorneys. However, U.S. District Court Judge Keith Marra ruled last year that the victims are entitled to examine those records to prepare their case against the government.

Epstein, Black and others appealed that decision to the Atlanta-based 11th Circuit Court of Appeals, but it ruled in April of this year that no privilege protects plea negotiations in this sort of dispute.

Edwards and Cassell did not respond to requests for comment for this post, including an inquiry about their response to Dershowitz's comments. However, the pair appear to be pressing forward with the victims' rights lawsuit, which seeks to unravel the no-federal-prosecution deal cut for Epstein in 2007.

UPDATE (Wednesday, 7:18 P.M.): This post has been updated with further comment from Dershowitz.

EXHIBIT R

-------- Original message --------
From: Abi Schwinck
Date:16/01/2015 05:16 (GMT+07:00)
To: Pink ,Jean Luc Brunel ,Jeff Fuller
Subject: FW: Victoria

From: Erik Bechtol [mailto:erik@pageparkes.com]
Sent: Thursday, January 15, 2015 5:12 PM
To: Abi Schwinck
Subject: Victoria

Hey Abi!

Hope you're well. :) I've just had a conversation with Victoria, and she isn't comfortable remaining with MC2 with all the drama going on right now in the press. She's asked me to contact you on her behalf. Please let me know if you see any issue with this. Thanks so much!

Erik Bechtol

Agency Director

Page Parkes Houston

www.pageparkesagency.com

The Page Parkes Building

1535 West Loop South, Suite 110

EXHIBIT S

Houston, TX 77027

P: 713 807.8222

F: 713 807 0055

EXHIBIT S

From: jeffrey E. [jeevacation@gmail.com]
Sent: 8/15/2016 12:09:58 PM
To: Kathy Ruemmler [[redacted]]
Subject: Re: Press: AmLaw Litigation Daily on Emirates Bank win

Did you write this ?😋

On Monday, August 15, 2016, Kathy Ruemmler <[redacted]> wrote:

Begin forwarded message:

From: <[redacted]>
Date: August 15, 2016 at 6:00:12 AM EDT
To: <[redacted]>
Subject: FW: Press: AmLaw Litigation Daily on Emirates Bank win

From: Schecter, Daniel (CC) <[redacted]<[redacted]>>
Date: Monday, Aug 15, 2016, 12:57 AM
To: #C-M EMIRATES NBD - LW TEAM
<[redacted]>, Cleaves, John
(LA) <[redacted]>>
Subject: FW: Press: AmLaw Litigation Daily on Emirates Bank win

AmLaw Daily story just posted. See below.

From: Pizzurro, Frank (LA) <[redacted]>>
Date: Sunday, Aug 14, 2016, 9:51 PM
To: Schecter, Daniel (CC) <[redacted]>>,
Dunlavey, Dean (OC) <[redacted]>>, Mohebbi,
Nima (LA) <[redacted]>>, Ruemmler, Kathy (DC)
<[redacted]>>, Bauer, Steve (SF-BR)
<[redacted]>>
Cc: #L&W BD PR (US) <[redacted]<mailto:#[redacted]>>, Wine, Jamie
(NY) <[redacted]>>, Bruno, Nicole (NY)
<[redacted]>>, Harris, Nicole (CH)
<[redacted]>>, Greenberg, Jeffrey (LA-NY)
<[redacted]>>, Bauer, Steve (SF-BR)
<[redacted]>>, Moore, Wendy (OC)
<[redacted]>>, Jennings, Alex (LA)
<[redacted]>>, Robins, Greg (LA)
<[redacted]>, Brearton, Chris (CC)

<[redacted]>>, Lee, Frank (SF)
<[redacted]>, Fisher, Alice (DC)
<[redacted]>>
Subject: Press: AmLaw Litigation Daily on Emirates Bank win

I'll soon send a cleaner version of this and other coverage, but wanted to share the article just posted in the AmLaw Litigation Daily. A personal thanks to Dan for speaking to the reporter, and Nima for feeding us case documents and insights.

http://m.litigationdaily.com/#/article/1202765052511/1/A%20Master%20at%20Work:%20Dissecting%20the%20Closing%20Argument%20in%20Latham's%20Huge%20Win%20for%20Middle%20Eastern%20Bank

A Master at Work: Dissecting the Closing Argument in Latham's Huge Win for Middle Eastern Bank
Jenna Greene08/14/2016

For Latham & Watkins, defending a Middle Eastern bank accused of stealing trade secrets from a plucky American entrepreneur could have been a tough sell to a federal jury in Orange County, California.

[http://www.law.com/image/LitDaily/DailyDicta.jpg]The stakes were high--more than half a billion dollars in damages--and some of the facts were, ahem, challenging.

How did Latham lawyers turn a potentially unsympathetic narrative into a unanimous win for Dubai-based Emirates NBD Bank PJSC on Thursday?

A look at closing arguments by Latham partner Kathryn Ruemmler, who made her first in-court appearance since she stepped down as White House counsel in 2014, is revealing in a watch-the-master-at-work kind of way.

Along with Latham partners Daniel Schecter and Dean Dunlavey, she faced off against an equally formidable opponent: Boies, Schiller & Flexner partner William Isaacson, who wasnamed a litigator of the year<http://www.americanlawyer.com/id=1202745123270/Litigator-of-the-Year-William-Isaacson-of-Boies-Schiller> by The American Lawyer in 2015.

Ruemmler parachuted into the case on May 20, replacing Steven Bauer. He had another case (on behalf of Pacific Gas & Electric<http://www.therecorder.com/id=1202764714611/Split-Verdict-in-PGE-Pipeline-Blast-Case?slreturn=20160712215338>) going to trial at the same time and couldn't convince U.S. District Judge James Selna to push back the trial date, which had already been delayed several times.

This was the lay of the land: Two weeks before, the Los Angeles Times on May 8 had run a lengthy feature<http://www.latimes.com/business/la-fi-infospan-lawsuit-20160508-story.html> that was distinctly sympathetic to the plaintiff, Farooq Bajwa. A former computer components manufacturer/ El Pollo Loco franchise owner, his latest venture was a company called InfoSpan Inc.

Bajwa is portrayed as a visionary who had an idea to allow foreign workers to easily and cheaply send funds back to relatives in their home country via the internet or cell phone.

"I realized I might make a big difference in this world not only helping these underprivileged people who don't have bank accounts, I will also be helping bring an economic revolution," Bajwa, 64, told the paper. "I had very big dreams."

But after he struck a deal with Emirates NBD to roll out his product, SpanCash, he claimed the bank stole his proprietary technology, killed the deal and ruined his company. (Though it's hard to feel too sorry for him--he's pictured in front of his house, a mansion that would put Versailles to shame. In this David-and-Goliath story, he's a David from the 1 percent.)

Bajwa sought $554 million plus punitive damages on trade secret misappropriation and misrepresentation claims.

Trial began on July 26 in U.S. District Court for Central District of California. On Aug. 10, Ruemmler and Isaacson summed up their opposing positions in closing arguments.

Let's take a look.

Isaacson, who did not respond to a request for comment, led with one of his strongest cards: USA! USA!

"We as a country, made up of flawed people, come together as one of the greatest countries on Earth, because we are a nation of laws," he said, according to a transcript of the proceedings. "This was about hard work and what happens when your work is destroyed and taken, how you're entitled to be treated under the laws of the United States."

For Ruemmler, the appeal was not emotional or jingoistic. It was rational all the way.

Her first line: "Mr. Bajwa has come up with an interesting story, but it's not what happened."

And then, in the most matter-of-fact, conversational way, she annihilated his case.

"There are at least five fatal flaws in Mr. Bajwa's case, and any one of those alone sinks his case. Any one," she said, according to the transcript.

Bajwa couldn't prove that SpanCash was ever fully functional and commercially ready, Ruemmler said. In fact, she argued, it was never even a real product.

Further, she said, Bajwa didn't prove that the technology or platform was comprised of any trade secrets; or that Emirates Bank stole SpanCash; or that it ever used it. Finally, Bajwa didn't prove InfoSpan suffered any damages, she said.

Some of her turns of phrase are refreshingly non-lawyerly. "Sham is going down there… It's not as if these guys were exactly rubes…This is some flimflam thing… One of the many, many dog-ate-my-homework excuses….This is an absolute double-down lie."

The overall effect: she simplified without being condescending.

But there was still a hurdle for Emirates. Or as Latham's Schecter put it in an interview, "There are some facts we wouldn't script."

After the bank terminated its agreement with InfoSpan and demanded its investment back, Infospan's deputy CEO, Larry Scudder, was arrested when he tried to leave the UAE.

"At the Dubai Airport that day, the Dubai police arrested Mr. Scudder after he presented his passport at an electronic terminal. Police told Mr. Scudder that a charge of criminal fraud had been filed against him for $1,465,000. Mr. Scudder was handcuffed and marched through the airport and then held in police detention facilities and interrogated," the complaint states.

He was handcuffed to a chair, then transferred to a cell with 30 people before being released 19 hours later, at 1 am. And then, the police kept his passport for six months before he could finally leave the country.

On the stand, he cried when he spoke about the ordeal.

Isaacson in his closing repeatedly called it extortion. “Because when the bank held Mr. Scudder's passport--I'm sorry, caused his passport to held, that just didn't cause personal pain for Mr. Scudder,” he said. “What it did was give the opportunity for the bank to control the technology, to control the situation, because now InfoSpan couldn't compete in the UAE because of the fears that this type of thing would happen. And it also gave him the opportunity to try and extort money and control of the technology from InfoSpan.”

How do you counter that?

Ruemmler was not available for an interview, but Schecter said pretrial research showed people expect that if you do business overseas, you’ll comply with the laws of the foreign country. And in UAE, this is how they handle fraud.

“Judge Selna has instructed you that filing a criminal complaint in Dubai for fraud is a common practice and that if you've been cheated, that's what you're supposed to do,” Ruemmler said.

What about Scudder’s emotional testimony?

She undercut it without coming across as callous--a fine line.

“Now, I have to mention the tears. And this is the only thing I'm going to say about it,” Ruemmler said. “He was detained for less than 24 hours, nine years ago; and then, he was in his corporate apartment and had $300,000 to live for, like, about six months. I'm just going to say this: I will leave to you to evaluate the sincerity of those tears in light of all the other evidence that you have heard in this case.”

And then she immediately talked about how he “basically, had faked a document.”

It worked. After about a day of deliberation, the jury found across the board for Emirates NBD Bank.

“It was a binary case--either they lied or we lied,” said Schecter. “The plaintiff’s strategy was all or nothing. There were no off-ramps for the jury.”

The Latham team also included counsel Andrew Fossum and associates Nima Mohebbi, Stephanie Grace, Jonathan Sandler, Jacquelyn Levien, Elizabeth Greenman, Pushkal Mishra and Tom Rickeman.

In a statement to The Lit Daily, Lubna Qassim, chief group general counsel and company secretary of the Emirates NBD, said, "While there was no basis for this case being tried in U.S. courts, Emirates NBD Bank is deeply gratified by the jury's decision and appreciates the court's commitment to ensuring a fair trial."

Contact Jenna Greene at [redacted] or on Twitter@jgreenejenna.

Sent from my BlackBerry 10 smartphone.
From: Schecter, Daniel (CC)
Sent: Saturday, August 13, 2016 1:34 PM
To: Pizzurro, Frank (LA); Dunlavey, Dean (OC); Mohebbi, Nima (LA); Ruemmler, Kathy (DC)

Cc: #L&W BD PR (US); Wine, Jamie (NY); Bruno, Nicole (NY); Harris, Nicole (CH); Greenberg, Jeffrey (LA-NY); Bauer, Steve (SF-BR); Moore, Wendy (OC); Jennings, Alex (LA); Robins, Greg (LA)
Subject: RE: Press: LA Times - Federal jury decides Middle East bank did not defraud Orange County entrepreneur

OC Business Journal article with a nice shout out to Dean:

http://www.ocbj.com/news/2016/aug/12/jury-decides-against-sjc-firm/

From: Pizzurro, Frank (LA) <[redacted]>>
Date: Thursday, Aug 11, 2016, 7:41 PM
To: Dunlavey, Dean (OC) <[redacted]>>,
Schecter, Daniel (CC) <[redacted]>>, Mohebbi,
Nima (LA) <[redacted]>>, Ruemmler, Kathy (DC)
<[redacted]>>
Cc: #L&W BD PR (US) <[redacted]<mailto:#[redacted]>, Wine, Jamie
(NY) <[redacted]>>, Bruno, Nicole (NY)
<[redacted]>>, Harris, Nicole (CH)
<[redacted]>>, Greenberg, Jeffrey (LA-NY)
<[redacted]>>, Bauer, Steve (SF-BR)
<[redacted]>>, Moore, Wendy (OC)
<[redacted]>>, Jennings, Alex (LA)
<>, Robins, Greg (LA)
<>
Subject: Press: LA Times - Federal jury decides Middle East bank did not defraud Orange County entrepreneur

The LA Times appears to be the first media to report on the verdict. Latham references are highlighted:

BUSINESS

Federal jury decides Middle East bank did not defraud Orange County entrepreneur<http://fw.to/aXv1QHI>

[Farooq Bajwa]
Farooq Bajwa

By Andrew Khouri
August 11, 2016
A federal jury decided Thursday that one of the Middle East's most prominent banks did not commit fraud and steal technology from an Irvine firm that sued it for half a billion dollars in damages after their partnership collapsed.
Orange County company InfoSpan had alleged that Emirates NBD ended a partnership for a mobile payment system because it didn't want to share revenue and stole InfoSpan's technology to launch its own service.
The Dubai-based bank, in turn, denied it stole or ever used InfoSpan's technology. It argued that it cancelled the partnership because InfoSpan couldn't produce a working product and misled it into thinking it was an established company, not one with little to no track record.
After deliberating for a day, the jury unanimously decided that InfoSpan did not prove its case of fraud and theft of trade secrets.
InfoSpan had asked for $540 million in damages. An attorney for InfoSpan declined to comment on the

possibility of an appeal.

The verdict capped a two-week trial that involved dueling accusations of fraud levied by high-profile attorneys on both sides, including the former White House counsel to President Obama.

At the center of the high-stakes battle was San Juan Capistrano resident and entrepreneur Farooq Bajwa and a mobile payment system that he said would allow migrant workers in the Middle East to send remittances back home through text messages.

Bajwa contended that InfoSpan, with support from outside investors, spent $87 million developing the business and technology.

To launch the system, known as SpanCash, Bajwa partnered in 2007 with Emirates Bank, which is controlled by the United Arab Emirates' sovereign wealth fund.

It seemed the ideal collaboration for the Pakistani immigrant, who earned millions operating another Irvine company that manufactured computer components in the 1980s and 1990s

The Gulf States rely heavily on migrants to work construction and other low-wage jobs, offering a ready-made market for SpanCash. InfoSpan aimed to allow migrants to transfer money back home far more cheaply than Western Union or hawala, a traditional Middle Eastern broker-to-broker money transfer system.

A study from McKinsey & Co., cited in court records, projected annual revenue of $3.5 billion by the deal's fifth year, with InfoSpan receiving more than $2.8 billion in fees.

But the relationship between InfoSpan and Emirates Bank soured and the bank cancelled the deal in 2009.

A few days later, Emirates filed a criminal complaint in Dubai against Bajwa and a partner alleging that they defrauded the bank and misrepresented InfoSpan as an established business with a working technology.

Two years later, InfoSpan sued in U.S. District Court in Santa Ana and alleged that its technology was working and that it delivered its source code to the bank on servers. Emirates ended the deal, InfoSpan said, to launch its own mobile payment system after stealing InfoSpan's technology.

In court, an attorney for InfoSpan argued that Emirates torpedoed the InfoSpan relationship because it abhorred how much money it would have to share with the Irvine firm.

"They wanted SpanCash and they wanted the money," attorney William A. Isaacson said in his closing arguments Wednesday.

Isaacson – a partner with powerhouse law firm Boies Schiller & Flexner, chaired by high-profile litigator David Boies – argued that the bank resorted to "pure extortion" in an attempt to get its way.

As a result of the bank's criminal complaint, InfoSpan alleged Bajwa's partner, Larry Scudder, was detained at the Dubai International Airport and taken to a cell where he was locked in with 30 other men for 19 hours until he secured his release by turning over his passport.

According to the lawsuit, Bajwa tried to resolve the situation but was told Scudder's passport would be released and he could leave the country only if InfoSpan gave up ownership and control of SpanCash to the bank.

Six months later, the bank withdrew the fraud accusations and Scudder got his passport back, but SpanCash's reputation was tarnished and it collapsed, Bajwa previously told The Times.

The bank disputed that it acquired InfoSpan's source code or used it at any time.

Former White House counsel and an attorney for the bank, Kathryn Ruemmler, said that Emirates never would have acquired source code in a joint-partnership deal like the one reached with InfoSpan. She said such technology would instead be held by a third-party escrow company for the length of the partnership.

In her closing arguments, the partner with global firm Latham & Watkins told the jury that Bajwa and InfoSpan sold the bank a "bill of goods," arguing that despite promises to Emirates, the technology never worked and InfoSpan wasn't as big a company as it claimed.

The bank cancelled the deal and filed a criminal complaint, not as a form of extortion but simply to regain the bank's money after it was misled and doubts grew about the character of InfoSpan's employees, Ruemmler told the jury.

"They concluded, definitively, that they had been defrauded," she said.

Lubna Qassim, group general counsel for Emirates Bank, said in a statement after the verdict that "Emirates Bank is gratified by today's decision and the opportunity to receive a fair trial in U.S. courts."

Bajwa said the trial has taken a toll on him and he doesn't know his next steps.

"I am just beat up," he said.

Phil Hirschkorn contributed to this report.
[redacted]
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Frank Pizzurro
Public Relations Senior Manager

LATHAM & WATKINS LLP
355 South Grand Avenue | Los Angeles, CA 90071-1560
[redacted]

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Latham & Watkins LLP

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From: jeffrey E. [jeevacation@gmail.com]
Sent: 12/9/2016 3:56:27 PM
To: Ens, Amanda [redacted] Richard Kahn [redacted]]
Subject: Re: Financials: buy XLF call spreads
Attachments: image001.png

Importance: High

lets try, 250k premium

On Fri, Dec 9, 2016 at 11:46 AM, Ens, Amanda [redacted] wrote:

> We continue to see further upside in financials.
>
> - Erika Najarian, BAML financials research analyst, just returned from a marketing trip. Bottom line: North American investors are very bullish the banks (long only AND hedge funds AND macro funds), but then conclude "I don't own enough". Note that high touch flows have slowed down significantly since Thanksgiving and where the buying has been concentrated in XLF (every client sector we have has been a better buyer of XLF).
> - Client focus:
>
> 1) Regulation: Excitement, with the base case that it's not getting worse.
>
> 2) Sentiment on rates: Cautiously bullish
>
> 3) Sentiment on growth: Also bullish
>
> 4) Sentiment on corporate tax rate cuts: buyside more bullish than sellside. In 1986, bank stocks exploded upward (outperforming the S&P) after Reagan's tax reform bill passed the Senate; and 2) in 2003, the last time we saw personal tax cuts, loan growth industry wide accelerated in 2003 and 2004.
>
> - Biggest Pushback on owning sector at current levels: Too far too fast: BKX +18.00% post election: Valuation coming into question and Q4 has typically been a seasonally weak qtr. Bulls defend valuation on '18ests with potential upside to 2018 EPS from ~25-40% and stocks still cheap vs. discretionary.
> - Price action and sentiment keeps us constructive, we like the long and would expect US financials to benefit from any beta chase into year end.
>
> - **How to play it?** We still like "appearing" call spreads on XLF
>
> ○ Buy a 6 month 105% call with a short 110% call that knock in if XLF trades above 115% during the life of the trade for 1.75% premium cost
>
> ▪ Gross max payoff if knock-in is triggered: **2.8x** (5.0%/1.75%)
>
> ▪ Gross max payoff if knock-in is not triggered: **5.6x** (9.9%/1.75%) – you have upside up to 114.9%
>
> Regards,
> Amanda
>
> **Amanda Ens**
> Director | Global Equities

Bank of America Merrill Lynch
Merrill Lynch, Pierce, Fenner & Smith Incorporated
One Bryant Park | 5th Floor | New York, NY 10036
Phone: [redacted] Mobile [redacted]
[redacted]

From: Ens, Amanda
Sent: Tuesday, November 22, 2016 2:15 PM
To: 'jeffrey E.'; Rich Kahn
Subject: Financials: buy XLF call spreads

Underweight positioning, buybacks resuming, positive momentum and strong fundamentals all indicate that there is still further upside potential in financials (more details below). Our financials sector specialist thinks XLF could have another 20-25% upside given the many levers to the Trump Trade: less regulation, higher interest rates, higher vol, economic growth, loan growth, etc. The asset sensitive regional banks are more of a pure play on a rates move but we view the larger cap banks as having multi-pronged upside given the aforementioned points.

That said, given the velocity and magnitude of the recent move and uncertainty around the impact and timing of Trump's policies, we believe options offer better risk-reward than being outright long financials stocks here. With flat call skew, "appearing" call spreads with upside knock-ins price well.

Buy a 1 year XLF call spread for 2.6% premium

- Buy a 110% call
- **Sell a 117.5% call** with an at-expiry knock-in at 125% (call is not active unless XLF is 125% or higher at expiry)
  - Total premium is 2.6%
  - Gross max payoff if knock-in is triggered: **2.9x** (7.5%/2.6%)
  - Gross max payoff if knock-in is not triggered: **5.7x** (14.9%/2.6%) – you have upside up to 124.9%

Post Election Flow Skews - Buyers of Health Care (via ETFs) and Financials (mainly ETFs)

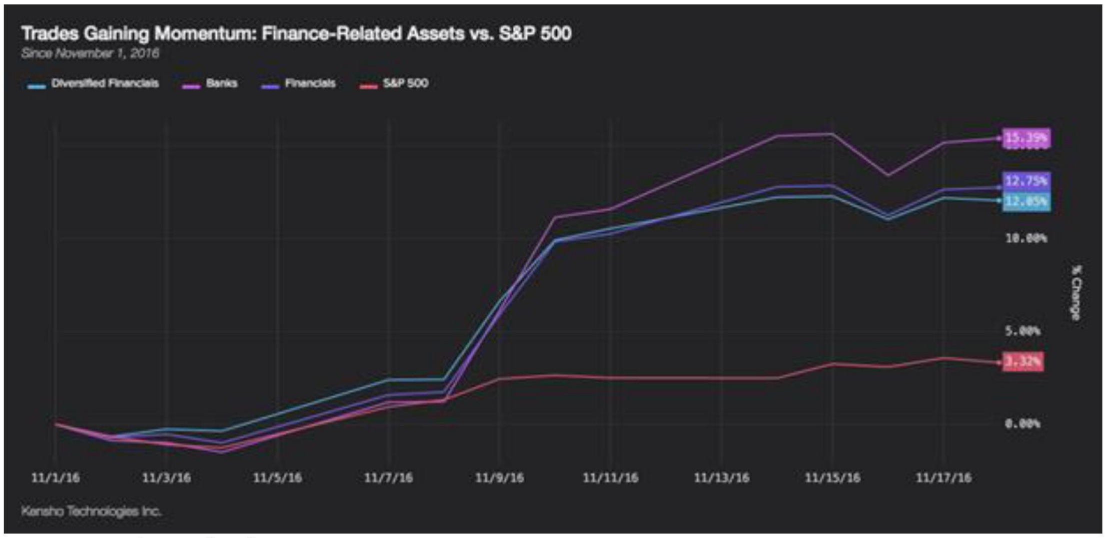
- **US Buyback Flows**
- **Cons Disc, Technology and Financials are the largest 3 sectors for US buybacks (over 70% of execution). We are seeing a seasonal increase in buybacks** as we come out of the low seasonal month of the year (October) and should see increased buyback executions until year-end, another source of upside for the Cons Disc, Technology and Financials sectors.

Global Positioning, Nigel Tupper, 11/14. **Large long-only funds are more underweight Financials than any other sector and are UW this sector in all regions.**

Future of Financials conference hosted 90 public and private companies at our Future of Financials conference. We are raising our price objectives across most of our names. Three primary reasons why we think there is upside remaining after the recent rally: 1) an improved outlook on both activity levels and interest rates, driving revenue upside; 2) potentially lower regulatory burden, particularly as new supervisory leadership can come with the new administration; and 3) relatively lighter positioning in US financials vs. other sectors. (Erika Najarian)

Trades Gaining Momentum: Finance-Related Assets vs. S&P 500

In the period since the US presidential election, the three top-performing S&P sectors and industry groups have all been finance-related (Banks, Financials, Diversified Financials)



Source: Kensho Technologies

The Flow Show, Michael Hartnett, 11/18. Violent rotation: record equity ETF inflow, record financials inflow, biggest bond outflow in 3.5 yrs, record EM debt outflow.

Regards,
Amanda

Amanda Ens
Director | Global Equities
Bank of America Merrill Lynch
Merrill Lynch, Pierce, Fenner & Smith Incorporated
One Bryant Park | 5th Floor | New York, NY 10036
Phone: [redacted] Mobile [redacted]
[redacted]

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ROCKEFELLER & CO.

Rockefeller Partners with Gregory J. Fleming to Create Independent Financial Services Firm

Firm to Focus on Wealth Management, Asset Management and Strategic Advisory
Viking Global Investors to Back New Firm

October 04, 2017 06:30 AM Eastern Daylight Time

NEW YORK--(BUSINESS WIRE)--Rockefeller Financial Services, Inc. ("RFS"), the parent company of Rockefeller & Co., and Gregory J. Fleming have agreed to form Rockefeller Capital Management ("Rockefeller" or "the firm"), an independent financial services firm focused on wealth management, asset management and strategic advisory. The firm will look to build upon the 135-year history of excellence in wealth and investment management associated with the Rockefeller family through the addition of broader capabilities and new growth capital.

Greg Fleming will become the Chief Executive Officer of Rockefeller upon closing. Mr. Fleming, a longtime financial services executive, was most recently the President of Morgan Stanley Wealth and Asset Management and prior to that, the President of Merrill Lynch. Viking Global Investors LP ("Viking") will back the firm through an investment by one of its investment funds. Financial terms were not disclosed.

"The team at Rockefeller Financial Services has spent years building the highest-quality investment management firm for families and institutions," said David Rockefeller, Jr., Chairman of RFS. "We look forward to Greg's leadership and Viking's support to expand the Rockefeller platform and bring new products and services to our clients."

This combination will allow Rockefeller to build on its distinguished legacy of serving families, including the Rockefeller family, as well as foundations, endowments and institutions. Under Mr. Fleming's leadership, the firm plans to expand its asset management focus on global equities and ESG investing, add to its wealth management capabilities, and build a strategic advisory business. Rockefeller will have four operating units: Wealth Management, Asset Management, Family Office Advisory, and Strategic Advisory.

"I look forward to leading Rockefeller into its next chapter, backed by the Rockefeller family and my new partners at Viking," Mr. Fleming said. "This is an opportunity to create a unique independent firm focused on wealth management, asset management, and strategic advisory."

Rockefeller will be owned by a Viking investment fund, a trust representing the broader Rockefeller family, and the firm's management. The ownership group anticipates making substantial additional capital investments in Rockefeller over multiple years. This will provide the capital necessary for Rockefeller to execute its strategy, enabling the firm to broaden its products and services and accelerate its growth.

The board of the new firm will include Mr. Fleming, David Rockefeller, Jr., Peter M. O'Neill, Reuben Jeffery III, and Brian Kaufmann of Viking. Additional independent directors will be added in due course.

The transaction is subject to certain customary closing conditions and is expected to close in the first quarter of next year. Ardea Partners acted as the financial advisor to RFS, and Willkie Farr & Gallagher LLP was the legal advisor to RFS. Paul, Weiss, Rifkind, Wharton & Garrison LLP was the legal advisor to Viking.

About Rockefeller Financial Services

As of June 30, 2017, Rockefeller & Co. has approximately $16.2 billion in assets under advisement for individuals and families, family offices, nonprofit organizations, foundations, endowments, and global institutions. This number includes net assets under management of approximately $10.9 billion plus approximately $5.3 billion in advisory assets. Advised assets represent non-managed assets that receive services, such as financial planning, administration and/or consulting for open architecture programs or other assignments, consolidated reporting, and accounting and tax return preparation services.

About Viking

Viking Global Investors LP is a global investment firm founded in 1999, with offices in Greenwich, New York, San Francisco, Hong Kong and London. The firm manages approximately $25 billion in capital and uses fundamental analysis to select investments, primarily public and private equity securities, from a wide range of industries globally. Viking is registered as an investment adviser under the U.S. Investment Advisers Act of 1940.

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Viking Global to Back Rockefeller Wealth Firm Led by Fleming

By **Jennifer Surane** and **Simone Foxman**

October 4, 2017, 6:12 AM PDT
Updated on October 4, 2017, 9:48 AM PDT

- Ex-Morgan Stanley executive Greg Fleming to be firm's CEO
- Hedge fund to become majority owner of high-net-worth adviser

Greg Fleming, a former top executive at Morgan Stanley, is joining with the Rockefeller family office to create a wealth-management firm that will be backed by Viking Global Investors.

Fleming will be chief executive officer of Rockefeller Capital Management, an adviser to the ultra-wealthy that will be acquired by Viking Global after the deal is completed early next year, the New York-based company said Wednesday in a statement. Terms weren't disclosed.

Fleming, 54, who was most recently president of Morgan Stanley Wealth and Asset Management, left the Wall Street firm last year after CEO James Gorman indicated he planned to stay on at least five more years and installed an older deputy in the bank's No. 2 position, people with knowledge of the decision said at the time. Before joining Morgan Stanley, Fleming was president of Merrill Lynch & Co.

○ Replay

In addition to wealth and asset management, the new company will create a unit focusing on advising large multinational companies, Fleming said in a phone interview.

'Strategic Advice'

"Many wealthy families own companies that they need to take public or sell," he said. "They're looking for strategic advice, and they're looking for interesting investments."

He said a deal to purchase the Miami Marlins baseball team that he was involved in earlier this year was an example of the sort of investment the firm's clients might be interested in.

A private-equity fund managed by Viking will own the majority of the business, while Fleming and others in management will invest, he said. A trust representing the broader Rockefeller family will remain an owner, though it's selling some of its stake as part of the transaction.

Rockefeller & Co., which began 135 years ago as the family office of oil baron John D. Rockefeller, oversees about $10.9 billion for families and other institutional investors, and advises on another $5.3 billion, according to the statement. Fleming said that Viking's capital will be used to expand these businesses, as well as building an advisory arm.

"The industry is very fragmented," Fleming said. For independent companies that combine wealth and asset management, as well as advisory, "there's room, if you do it well, to really generate some market share, especially for a firm with a brand as good as Rockefeller," he added.

Viking Global, which was founded by Andreas Halvorsen, has about $25 billion under management, making it one of the biggest hedge funds in the world.

The Rockefeller family office was advised by Ardea Partners, an investment bank formed last year by Goldman Sachs Group Inc. veteran Chris Cole and a handful of former colleagues. Willkie Farr & Gallagher LLP provided legal advice, according to the statement. Paul, Weiss, Rifkind, Wharton & Garrison LLP was legal adviser to Viking Global.

The Wall Street Journal reported on Fleming's new role earlier Wednesday.

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WHO WE ARE

OUR FIRM DEFINED OUR CULTURE CEO MESSAGE
OUR LEADERSHIP TEAM

OUR FIRM DEFINED

Rockefeller & Co. is a distinctive financial services firm that is privately held and independent.

DRIVEN

BY

the intellectual soundness, creative acumen, and personal dedication of our people

FOCUSED

ON

assessing investment opportunities through a global lens

COMMITTED

TO

providing insightful solutions for the sophisticated needs of our clients

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11/15/2016

About Rockefeller & Co.

10/3/2017

Thirty Years Later

06/30/2016

Rockefeller & Co. team members summarize the breadth of services available to non-profit clients.

OURCULTURE

Rockefeller & Co. is privately owned and focused on the diverse investment and financial needs of our sophisticated clientele. From our beginnings as the Rockefeller family office, we are today a full-service, independent asset management and wealth advisory firm, with a mission to help our clients achieve their goals.

As global citizens—with a geographically unconstrained approach to asset management—we know how important it is to perceive the world in its totality in seeking to benefit from the wealth of opportunities held therein. Our asset management team speaks 13 languages, an indication of the global perspective we apply to our business.

1882

1979

1980

2012

TODAY

Rockefeller & Co. has approximately $16.9 billion in assets under advisement for individuals and families, family offices, nonprofit organizations, foundations, endowments, and global institutions.[1]

[1] As of September 30, 2017. This number includes net assets under management of approximately $11.4 billion plus approximately $5.5 billion in advisory assets. Advised assets represent non-managed assets that receive services, such as consulting for open

CEO MESSAGE

stablishes a family
growing investment
needs of his family.

In this video, Reuben Jeffery III discusses Rockefeller & Co.'s commitment to service and stewardship. We pride ourselves on our client focus and the strong relationships we develop with individuals, families, and institutions.

PLAY VIDEO

882

OUR LEADERSHIP TEAM

REUBEN JEFFERY III
Managing Director, President & Chief Executive Officer

JIMMY C. CHANG, CFA
Managing Director, Chief Investment Strategist

YVETTE M. GARCIA
Managing Director, General Counsel & Chief Administrative Officer

DAVID P. HARRIS, CFA
Managing Director, Chief Investment Officer

STUART HENDRY
Managing Director, Chief Operating Officer

TIMOTHY J. MCCARTHY
Managing Director, Chief Compliance Officer & Counsel

ELIZABETH P. MUNSON
Managing Director, President of Rockefeller Trust Company, N.A. & The Rockefeller Trust Company (Delaware)

KARA VALENTINE
Senior Vice President, Director of Marketing

RAYMOND N. WAREHAM

Managing Director, Head of Wealth Advisory

DAVID WESTBROOK

Managing Director, Chief Financial Officer

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INSIGHTS **NEWS**

HAPPENINGS IN THE MEDIA

HAPPENINGS

01 02

09/08/2016

ROCKEFELLER & CO. PARTICIPATES IN OPERATION BACKPACK 2016

As part of our community outreach initiative, Rockefeller & Co. again participated in Operation Backpack 2016. Thousands of children live in New York City's homeless and domestic violence shelters. One of the most devastating consequences of homelessness is the impact it has on a child's education.

07/22/2016

ROCKEFELLER & CO. HOSTS GUEST SIXTH ANNUAL NEXUS GLOBAL YOU SUMMIT

From July 20th through 22nd in New York, Karen Wawrzaszek, Sen Advisor and Managing Director, and Jack McMackin, Client Associ delegation of “Next Generation” clients a he Sixt Nexus Global Youth Summit.

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06/15/2016

ROCKEFELLER RESEARCH SERIES: THE DRIVERLESS ECONOMY

Rockefeller & Co. hosted 2016's first installment of the Rockefeller Research Series at the Boston offices on Wednesday, June 8th with a subsequent presentation in New York at The Modern.

05/04/2016

MEREDITH BLOCK PRESENTS AT THE ATLANTA SOCIETY OF FINANCE & INVESTMENT PROFESSIONALS (ASF

Rockefeller & Co. was invited to discuss Sustainability & Impact Inv ASFIP in Atlanta, GA on May 4th, where Judy Lee, analyst and me Institutional Sales and Consultant Relations team, introduced a pres Meredith Block, S&I Vice President and Analyst.

DAVID HARRIS PANELIST AT ESG WORKSHOP AT INSTITUTIONAL INVESTOR FORUM

On Friday, April 29th, David Harris was featured in a workshop at the Institutional Investor Forum entitled "ESG: Divestment, Governance and Future of Sustainable Investing."

MATT GELFAND SPEAKS AT NAFOA A CONFERENCE

On Tuesday, April 19th Matt Gelfand, Managing Director, participa the Native American Finance Officers Association's (NAFOA) 34t Conference in Phoenix, AZ.

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WHAT'S NEW VIDEOS AND PODCASTS INVESTMENT COMMENTARY

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WHAT'S NEW

11/01/2017 MONTHLY MARKET REVIEW

A "Vixing" Puzzle — Market's unusual lack of volatility; Be fearful when others are greedy

09/01/2017 MONTHLY MARKET REVIEW

Fire & Fury — A chaotic presidential summer vacation; Government shutdown now a distinct possibility

Q4 2017 GLOBAL FORESIGHT

Thirty Years Later — Reagan's Berlin Wall Speech, Rising Debt, the 1987 Crash and Implications for Today's Equity and Fixed Income Markets

Q3 2017 GLOBAL FORESIGHT

Aging Bull — Where we see investment opportunities after eight years of rising markets

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Capital Markets
Company Overview of Rockefeller & Co., Inc.

November 14, 2017 6:15 PM ET

Snapshot **People**

Company Overview

Rockefeller & Co., Inc. is a privately owned investment manager. It provides its services to High net worth individuals, their families, family offices and related entities, funds organized as domestic or offshore (non-U.S.) companies, limited partnerships, limited liability companies or other types of legal entities; U.S. registered investment companies; Trusts and other fiduciary accounts , Foundations, endowments, charitable and other nonprofit institutions; Taxable and tax-exempt accounts, and Sovereign Nation(s). The firm manages separate client-focused equity and fixed income portfolios. The firm invests in the public equity markets across the globe. It invests in the fixed income m...

Detailed Description

10 Rockefeller Plaza
New York, NY 10020
United States

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Fax: 212-549-5524
www.rockco.com

Founded in **1882**

Key Executives For Rockefeller & Co., Inc.

Mr. Reuben Jeffery III, J.D.
Managing Director, President, CEO, and Member of the Board
Age: 64

Mr. David Westbrook
Chief Financial Officer and Managing Director

Mr. Stuart Hendry
Chief Operating Officer and Managing Director

Mr. David Peter Harris CFA
Chief Investment Officer, Managing Director, and Portfolio Manager

Ms. Yvette Marie Garcia J.D.
Chief Administrative Officer, Secretary, Managing Director, and General Counsel

Compensation as of Fiscal Year 2017.

Rockefeller & Co., Inc. Key Developments

Rockefeller & Co Names David Rockefeller, Jr. as Chairman

Oct 31 16

Rockefeller & Co announced that director David Rockefeller, Jr. has been appointed chairman of the board of directors. Mr. Rockefeller, a founding member of the board of directors, succeeds Colin G. Campbell, who has served as chairman since 2003. Mr. Campbell will remain a member of the board of directors. As chairman, Mr. Rockefeller will lead the board of directors in its oversight of the firm’s business, and will work closely with Rockefeller & Co. CEO and president, Reuben Jeffery III, in supporting the firm’s delivery of best in class wealth advisory and asset management services to high net worth individuals, families and institutions.

Similar Private Companies By Industry

Company Name	Region
@Visory LLC	United States
1 Road Partners LLC	United States
11T Partners, LLC	United States

Recent Private Companies Transactions

Type Date	Target
Merger/Acquisition October 3, 2017	--

Company Name	Region
123Jump.com, Inc.	United States
1509225 Ontario, Inc.	United States

Request Profile Update

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CAREER OPPORTUNITIES

Rockefeller & Co. is a distinctive financial services firm that is privately held and independent. We take great pride in the integrity, depth and vision of our professionals.

City ▲

– NEW YORK, NY (4 POSITIONS)

- CLIENT ACCOUNTANT
- SUMMER INTERN-ASSET MANAGEMENT
- SUMMER INTERN-MANAGER SELECTION
- SUMMER INTERN-WEALTH ADVISORY

– WILMINGTON, DE (1 POSITION)

- VP/ SENIOR TRUST ACCOUNTANT

Don't see the job you are looking for? You can submit a resume for future consideration by clicking here.

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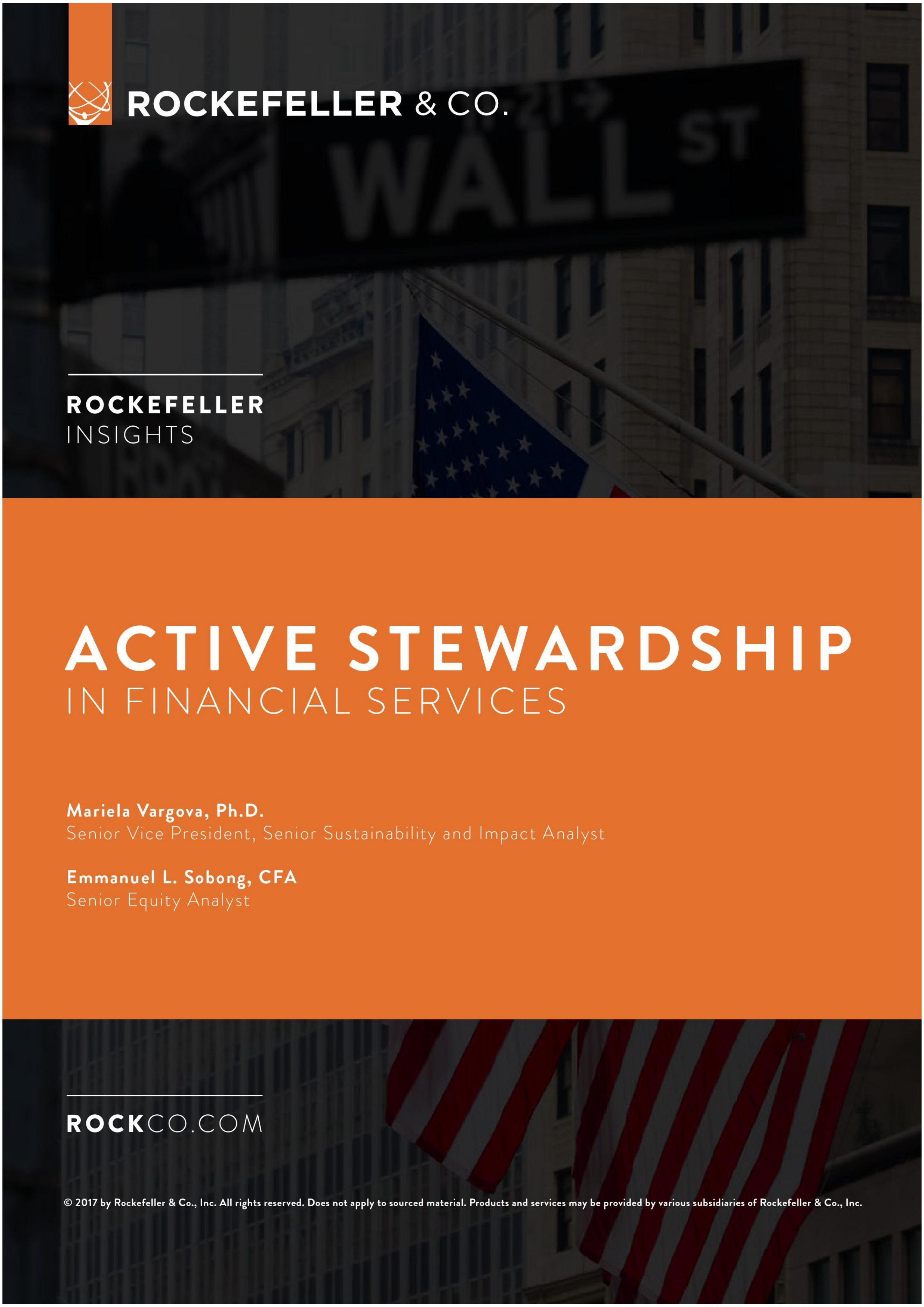

ROCKEFELLER & CO.

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INSIGHTS

ACTIVE STEWARDSHIP
IN FINANCIAL SERVICES

Mariela Vargova, Ph.D.
Senior Vice President, Senior Sustainability and Impact Analyst

Emmanuel L. Sobong, CFA
Senior Equity Analyst

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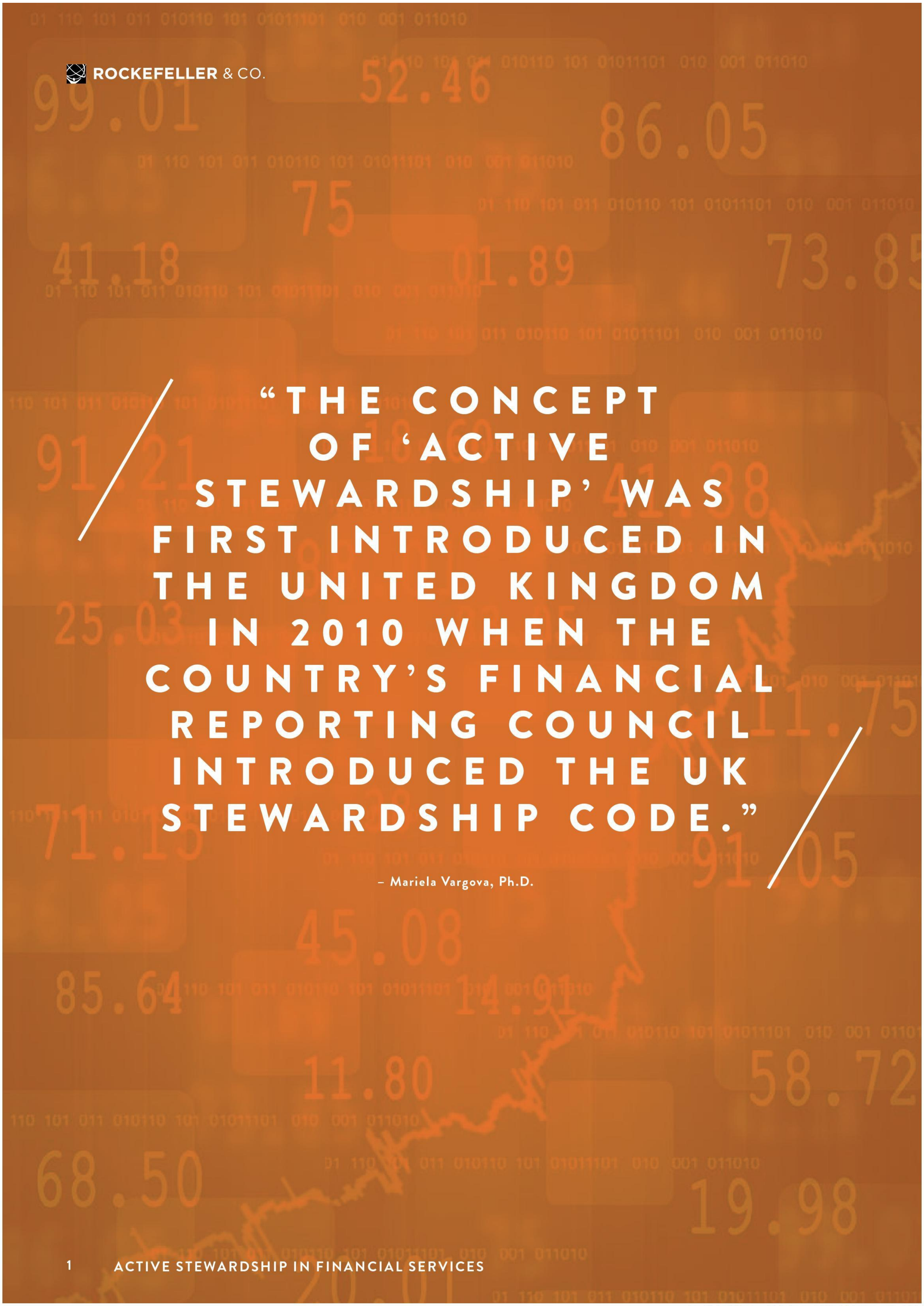

> "THE CONCEPT OF 'ACTIVE STEWARDSHIP' WAS FIRST INTRODUCED IN THE UNITED KINGDOM IN 2010 WHEN THE COUNTRY'S FINANCIAL REPORTING COUNCIL INTRODUCED THE UK STEWARDSHIP CODE."
>
> – Mariela Vargova, Ph.D.

Active **Stewardship**

Nine years ago, in mid-March, Bear Stearns, which in 2007 traded at over $125 per share, was sold to J.P. Morgan for $10 per share in a transaction that many mark as the beginning of, what we now know as, the Global Financial Crisis of 2008. While it is said that the passage of time heals all wounds, the disastrous contagion across the global financial landscape, the collapse of numerous large financial institutions and the loss of public trust in the financial services sector remains on the minds of many. Whether it was opaque counterparty exposure, excessive leverage, insufficient risk management, or a lack of corporate transparency, we now know that these factors in combination led to the near collapse of the entire global financial system. While the financial markets have moved well beyond that terrible day in March of 2008, the public trust of a very large sector of the global economy is still severely marred due to continued bad behavior, lack of corporate transparency, accountability and proper risk management, as well as risky business practices.

Accountability & **Reflection**

As the Governor of the Bank of England Mark Carney said in 2015, the "crisis and its aftermath laid bare that many of our markets didn't live up to these standards" of transparency, responsibility and accountability, and warned that until markets regain those qualities they cannot retain their social license to operate.[1]

The crisis also underscored the lack of effective shareholder scrutiny of boards of directors and senior management on essential corporate governance issues such as risk management, corporate strategy, independence and long-term value creation.[2] To overcome these shortcomings, the global investment community took on the role of "active stewardship" in capital markets. It started to adopt stewardship codes to engage with companies in seeking to improve business practices and disclosures. These efforts were focused on seeking major reforms towards financial stability and greater corporate responsibility.

2010: **Active Stewardship is Born**

The concept of "active stewardship" was first introduced in the United Kingdom in 2010 when the country's Financial Reporting Council introduced the UK Stewardship Code.[3] According to the code, stewardship means that investors are expected to proactively engage with companies on issues of strategy, performance, risk, capital structure, and corporate governance, including culture and remuneration.[4]

In January 2017, a group of U.S. and international institutional investors with combined assets of $17 trillion followed suit and launched the first U.S. Stewardship Code.

The adoption of stewardship codes in many national markets highlights a new set of responsibilities for shareholders. By signing on, institutional investors commit to closely monitor their companies and to use their voting power to improve corporate behavior. As fiduciaries, investors also commit to be more transparent about their own activities to their clients and other stakeholders.

Today, active stewardship includes many environmental, social and governance (ESG) issues that are priorities for those investing with a sustainability mindset. As fiduciaries, we at Rockefeller & Co. seek to engage with boards of directors and senior management on ESG issues to identify potential long-term business risks and encourage opportunities such as management quality and ethics, human capital and labor issues, climate change and low carbon economy. We believe that such engagements can have a long-lasting impact both on business profitability and competitive advantage.

Beyond the potential long-term investment growth and sustainability benefits of implementing these engagement activities, institutional investors are leading the efforts to rebuild trust in public markets after the financial crisis, starting where the issues were most apparent – the financial services sector.

Embracing Change: **Financial Services Sector**

Borne out of the trauma from 2008 and a new stricter regulatory environment, financial services companies were the first to face this new level of shareholder scrutiny and engagement.

Wall Street came under pressure by regulators and society to take significant steps to change its corporate governance guidelines, business practices and culture.

It may come as a surprise to learn that several large banks led the reform efforts in 2010 by reviewing their business standards and ethics codes and implementing

> “AS THE GOVERNOR OF THE BANK OF ENGLAND MARK CARNEY SAID IN 2015, THE ‘CRISIS AND ITS AFTERMATH LAID BARE THAT MANY OF OUR MARKETS DIDN’T LIVE UP TO THESE STANDARDS’ OF TRANSPARENCY, RESPONSIBILITY AND ACCOUNTABILITY...”

employee trainings on new values and culture.

One of the largest banks significantly improved public disclosures by adopting new policies and processes on ethics, and publicly committing to high-quality practices to ensure financial stability and economic opportunity.[5] At the core of these efforts was the goal to be client-oriented, with accountability to stakeholders and regulators alike.

It was in the areas of risk management and board oversight that banks made the most visible changes. They created risk committees at the board level and implemented company-wide risk management programs. For example, we saw how a leading bank in the U.S. also established a new position of Chief Risk Officer reporting to the board and tasked with ensuring that incentive programs in the organization do not encourage excessive or unnecessary risk-taking.[6]

One of the largest banks also showed corporate leadership by publicly acknowledging responsibility for unethical practices and recognizing past mistakes.[7] They shifted their focus to identify and monitor “material risk-taking” in their organization and increased managerial oversight. Other banks publicly committed to seeking responsible business growth and to conduct their business in a more transparent way.[8]

A New Course **for Financials**

Banks and insurance companies play a vital role in our financial system, providing savings, financing, investment, and payment services to consumers and businesses of all sizes. Our modern economy requires a stable, trustworthy, and efficient financial services industry to function and grow. Active stewardship can serve a role in maintaining a strong financial system.

Bank managements should be motivated to pursue best practices, having experienced the consequences of bad behavior long after the Global Financial Crisis. Tighter regulations, enacted in the aftermath of the Global Financial Crisis, including Basel III and the Dodd-Frank Wall Street Reform and Consumer Protection Act, have increased capital requirements and compliance costs for financial institutions. They have also limited aggressive forms of lending and risk-taking.

In addition, banks have also incurred substantial legal penalties for poor conduct ranging from consumer loan servicing, market manipulation, fraudulent activity, and money laundering.

However, while new regulations and legal settlements have placed incremental financial burdens on the financial services industry, banks and insurers have since made substantial progress to comply with new rules and adjusted their business models accordingly. Balance sheets have been reinforced with additional capital and liquidity, and tighter underwriting. While this may limit loan growth, it has also resulted in reduced risk costs in their lending businesses. Banks have added headcount in their compliance and risk control divisions in an effort to monitor and prevent future misconduct.

With a new administration in power in the United States, there is some concern that an aggressive pullback of regulations is imminent. However, we believe that higher quality banks and insurers should remain conservative in maintaining their increased regulatory capital, underwriting standards, and compliance and risk monitoring capabilities, as failing to do so could draw the ire of legislators and regulatory bodies, as well as the general public. This could lead to additional costs through loan losses, further litigation expenses, and even more stringent regulations. We believe that through active stewardship, we can continue to promote responsible practices among these companies.

Going forward, we expect banks and other financial institutions with adjusted business models, that exhibit greater stability in earnings and balance sheet quality to benefit financially in the long run. A reduction of earnings cyclicality should result in higher investor confidence in dividend payouts over time, and financial stocks could see higher valuations as a result. Swedish banks are a prime example. Highly capitalized by global standards, with minimal loan losses in their home market even during economic downturns, Swedish banks have maintained premium valuations (14x to 16x forward earnings, 1.6x to 2x book value) compared to their European peers (many trade at 10x to 12x forward earnings, <1x book value). We believe this represents significant potential upside for long-term investors in the sector.

> “OUR MODERN ECONOMY REQUIRES A STABLE, TRUSTWORTHY, AND EFFICIENT FINANCIAL SERVICES INDUSTRY TO FUNCTION AND GROW. ACTIVE STEWARDSHIP CAN SERVE A ROLE IN MAINTAINING A STRONG FINANCIAL SYSTEM.”

Doing Our Part at **Rockefeller & Co.**

Over the past several years, the Sustainability & Impact team at Rockefeller & Co. has implemented active stewardship with the financial services sector. On behalf of our clients, we have engaged with boards of directors and senior management, focusing on the following issues:

- **Implementing strategy on long-term financial stability**
- **Improving transparency over business standards, values and culture**
- **Establishing sound risk management systems and processes**
- **Compensation and incentive programs tied to long-term performance**
- **Implementing new employee engagement and trainings**
- **Sustainable finance and climate related investments**
- **Financial inclusion and access to underserved populations**

As engaged investors, we believe we have made significant progress in many of these areas. We worked together with some of the largest banks in the United States in seeking to improve their disclosures over business standards and encouraged them to embrace ESG in their operations and investments. We continue to monitor their progress through regular meetings and communications.

Despite making significant progress in the areas of governing business risk and regulatory compliance, many financial companies continue to be involved in irresponsible business practices. Such behavior can potentially hurt long-term shareholder value and damage their corporate reputation. This is where we believe our active stewardship and constructive shareholder voice can have the most positive impact.

ROCKEFELLER & CO. HISTORY OF CO-FILING SHAREHOLDER RESOLUTIONS IN THE FINANCIAL SERVICES SECTOR AFTER 2008:

2017	**Wells Fargo, Report on Business Standards**
2017	**J.P. Morgan Chase, Proxy Voting**
2015	**Bank of America, Separation of Chair & CEO**
2014	**J.P. Morgan Chase, Report on Business Standards**
2014	**Bank of America, Report on Business Standards**
2014	**Wells Fargo, Report on Business Standards**
2013	**Wells Fargo, Payday Lending**
2012	**Morgan Stanley, Transparency in the Repurchase Markets**
2012	**Bank of America, Internal Controls Related to Mortgage Loan**
2011	**State Street, Separate Chair & CEO**
2011	**Morgan Stanley, Restore Confidence in the Financial System**

Our engagements with the financial services sector are supported by our long-term collaborative work with the Interfaith Center on Corporate Responsibility (ICCR). We also utilize other investor networks such as the UN-backed Principles for Responsible Investment (PRI) and the CERES/Investor Network on Climate Risk (INCR) to engage with companies on sustainability across various sectors.

Finally, the outlook for possible increased deregulation under the new administration could potentially undermine the gains achieved by shareholders through active stewardship and engagements. We believe that institutional investors should be more proactive than ever as stewards of companies and capital markets, and raise their voice in seeking to ensure good governance, accountability and responsible growth.

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[1] http://www.bankofengland.co.uk/publications/Documents/speeches/2015/speech865.pdf

[2] http://www.oecd.org/corporate/ca/corporategovernanceprinciples/43056196.pdf

[3] https://www.frc.org.uk/Our-Work/Publications/Corporate-Governance/UK-Stewardship-Code-September-2012.pdf

[4] https://www.frc.org.uk/Our-Work/Codes-Standards/Corporate-governance/UK-Stewardship-Code.aspx

[5] http://www.goldmansachs.com/who-we-are/business-standards/committee-report/business-standards-committee-report.html

[6] https://www.morganstanley.com/about-us-2015ams/pdf/2015_Proxy_Solicitation_Presentation.pdf

[7] https://www.jpmorganchase.com/corporate/investor-relations/document/How_We_Do_Business.pdf

[8] http://about.bankofamerica.com/assets/pdf/Bank-of-America-2015-Business-Standards-Report.pdf

These materials are provided for informational purposes only and are not intended, and should not be construed as investment advice. The views expressed are as of a particular point in time and are subject to change without notice. Certain examples are intended to demonstrate aspects of Rockefeller & Co.'s engagement process with companies. Rockefeller & Co. may take different approaches with other companies and there is no guarantee that any engagement effort will be successful. Certain information contained in these materials may constitute "forward-looking statements" and/or may be obtained from, or based on, third party sources that Rockefeller & Co., Inc. believes to be reliable. No representations or warranties are made as to the accuracy or completeness of such statements, and actual events or results may differ materially from those reflected or contemplated. Although the information provided is carefully reviewed, Rockefeller & Co. cannot be held responsible for any direct or incidental loss resulting from applying any of the information provided. Company references are provided for illustrative purposes only and should not be construed as investment advice, or a recommendation to purchase, sell or hold any security. Past performance is no guarantee of future results and no investment strategy can guarantee profit or protection again losses. These materials may not be copied, reproduced or distributed without Rockefeller & Co.'s prior written consent.

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THIRD QUARTER
2017

GLOBAL Foresight

Aging Bull

Where we see investment opportunities after eight years of rising markets

BY DAVID P. HARRIS, CFA pages 2-5

Yesterday Once More; Tomorrow Never Knows

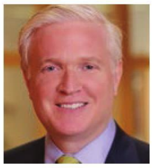
BY JIMMY C. CHANG, CFA
pages 6-9

Leveling the Playing Field

BY MICHAEL D. SEO, CFA
pages 10-13

The Promise of Governance Reform – South Korea

BY MARIELA M. VARGOVA, PH.D.
pages 14-15



DAVID P. HARRIS, CFA
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212.549.5210
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Eight plus years into the market recovery, we see valuations extended as most of the gains since 2014 have been driven by multiple expansion rather than earnings growth. In this issue of *Global Foresight,* we highlight potential investment opportunities, as well as challenges to sustaining this bull market. We examine emerging markets with Jimmy Chang focusing on China, and Michael Seo on South Korea. We also comment on corporate governance in an article by Dr. Mariela Vargova.

The Charging Bull

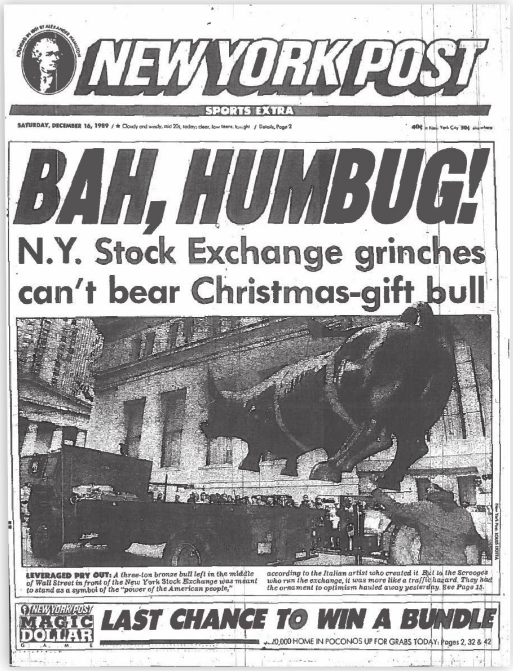
The lifespan of a bull market typically lasts many years, at times ending abruptly. Conversely, the statue now on Lower Broadway known as *Charging Bull* had a very short-lived initial run on Wall Street. It is not widely known that *Charging Bull* was never commissioned by the City of New York nor by any one of its major investment banks. Rather, the three-and-a-half-ton statue was simply unloaded one December day back in 1989 by a private citizen in front of the New York Stock Exchange.

The benefactor was Italian sculptor Arturo di Modica who created *Charging Bull* to demonstrate his belief in the strength of the U.S. economy after the stock market crash in 1987. Hours after di Modica delivered his statue, it was removed by the NYPD and was not expected to be resurrected. This was not the end of this bull's run, however, since its removal generated an amazing amount of media buzz—particularly noteworthy considering this happened before the internet was available to the general public, so "going viral" was not even a concept. After a couple of weeks of public pressure, *Charging Bull* was retrieved and installed at its current home at the intersection of Broadway and Whitehall, where it has been a staple for tourists' photos ever since.

The current equity bull market may have more years left, but its age and valuation make the case worth revisiting. As we assess potential investment opportunities, we see valuations elevated in the U.S. market, while we believe Europe is likely to continue its cyclical rebound. We are also encouraged by political developments on the continent. We believe there are a number of attractive emerging market (EM) opportunities, but are mindful of the challenges most of these once-rapidly-growing economies face. Frankly, it is not just the bull market that is aging; it is most of the world, which has important sociological, economic and investment implications as demographics and debt are likely to constrain long-term global economic growth.

The Challenge of High Valuations

In 1998, professors Robert Shiller and John Campbell conceived the cyclically adjusted price-earnings (CAPE) ratio, which averages earnings over a 10-year period to minimize the impact of economic cycles when valuing equity markets. The CAPE ratio has been widely cited as evidence of U.S. stock market overvaluation. The present U.S. equity CAPE ratio is the highest it has been except during two famous market peaks—1929 and 1999. We believe the CAPE ratio is cause for concern, but not alarm. It most likely suggests that U.S. equities will have subdued future returns. However, unlike the market's prior peaks at the end of the Roaring Twenties or the dot-com era, we do not believe we are in the midst of an economic or market bubble. If there is a benefit to the subdued economic recovery we have recently experienced in the U.S. where GDP growth has been averaging about 2.0%, it is that the economy has not built up the excesses that it did during past peaks in the CAPE ratio. By contrast, during the 1920s, U.S. real GDP growth averaged 4.2%, and from 1996-1999 it grew at least 4.3% in each calendar year. Since the CAPE ratios in those periods calculated off a base of very strong economic activity and earnings, those periods were more susceptible to crashing than today's more muted environment.



NEW YORK POST

SPORTS EXTRA

SATURDAY, DECEMBER 16, 1989 / ★ Cloudy and windy, mid 20s today; clear, low teens, tonight / Details, Page 2

40¢ in New York City 50¢ elsewhere

BAH, HUMBUG!

N.Y. Stock Exchange grinches can't bear Christmas-gift bull

New York Post: LOUIS LIOTTA

LEVERAGED PRY OUT: *A three-ton bronze bull left in the middle of Wall Street in front of the New York Stock Exchange was meant to stand as a symbol of the "power of the American people," according to the Italian artist who created it. But to the Scrooges who run the exchange, it was more like a traffic hazard. They had the ornament to optimism hauled away yesterday. See Page 13.*

NEW YORK POST MAGIC DOLLAR GAME

LAST CHANCE TO WIN A BUNDLE

$20,000 HOME IN POCONOS UP FOR GRABS TODAY: Pages 2, 32 & 42

Source: New York Post

EM Growth?

CAPE ratios are lower outside the U.S., with emerging markets even lower than those in developed markets. While we have been more constructive in recent issues of *Global Foresight* on non-U.S. opportunities, we believe there is limited relevance of CAPE ratios when comparing the very deep, diverse set of companies in the U.S. with most other markets. While valuation from 30,000 feet looks better in many places, there are reasons to discount CAPE as a reliable valuation tool when analyzing smaller markets. As an extreme example, Russia has the lowest CAPE ratio in the world, but its equity market is very concentrated in commodity businesses whose earnings are highly cyclical.

TABLE 1 highlights data from the 10 largest emerging markets, which account for 89.2% of the MSCI Emerging Markets Index. The growth prospects of this group appear surprisingly tepid. The median real GDP growth for the next five years is forecasted at 2.5%, while population growth is expected to be less than 1.0%. The term "emerging markets" was coined in the 1980s, but frankly, most of these economies have already "emerged." The countries with the most long-term economic growth potential are arguably those with young, growing populations—namely, India, Indonesia and Malaysia. However, these countries have small equity markets that, when combined, do not even equal South Korea's in size.

TABLE 1: **KEY DATA FROM THE TEN LARGEST EMERGING MARKETS**

COUNTRY	INDEX WEIGHT	LAST 5 YEAR GDP GROWTH	FORECAST NEXT 5 YEARS GDP GROWTH	ESTIMATED POPULATION GROWTH TO 2021	INFLATION RATE	MEDIAN POPULATION AGE	FISCAL DEBT/GDP	LEADING MARKET P/E	10-YEAR BOND YIELD	SOVEREIGN DEBT RATING
CHINA	27.7%	7.3%	6.4%	0.6%	2.0%	37.1	46.2%	13.6	3.5%	AA-
SOUTH KOREA	15.4%	2.8%	2.7%	0.4%	1.3%	41.2	38.6%	9.7	2.2%	AA
TAIWAN	12.2%	2.1%	2.2%	0.2%	1.4%	40.2	35.7%	13.8	1.0%	AA
INDIA	8.8%	6.3%	7.5%	1.3%	5.0%	27.6	69.5%	18.8	6.5%	BBB
SOUTH AFRICA	7.0%	1.6%	1.5%	1.6%	6.3%	26.8	50.5%	15.9	8.4%	BBB-
BRAZIL	6.7%	-0.4%	1.8%	0.7%	8.8%	31.6	78.3%	12.0	10.7%	BB
MEXICO	3.7%	2.5%	2.4%	0.9%	2.8%	28.0	58.1%	18.7	7.1%	A
RUSSIA	3.3%	0.5%	1.5%	-0.1%	7.1%	39.3	17.0%	5.8	7.6%	BBB-
INDONESIA	2.5%	5.6%	5.3%	1.3%	3.5%	29.9	27.9%	15.7	6.8%	BBB-
MALAYSIA	2.4%	5.1%	4.6%	1.7%	2.1%	28.2	56.3%	17.9	3.8%	A
SOURCE	MSCI *AS OF MAY 31, 2017	BLOOMBERG	BLOOMBERG	IMF/ BLOOMBERG	BLOOMBERG	CIA WORLD FACTBOOK	IMF	MSCI/ BLOOMBERG	BLOOMBERG	S&P
TOTAL	89.7%									
	MEDIAN	2.7%	2.5%	0.8%	3.2%	30.8	48.4%	14.8	6.7%	
	AVERAGE	3.3%	3.6%	0.9%	4.0%	33.0	47.8%	14.2	5.8%	

Sources: Bloomberg, IMF, CIA World Factbook, MSCI, S&P

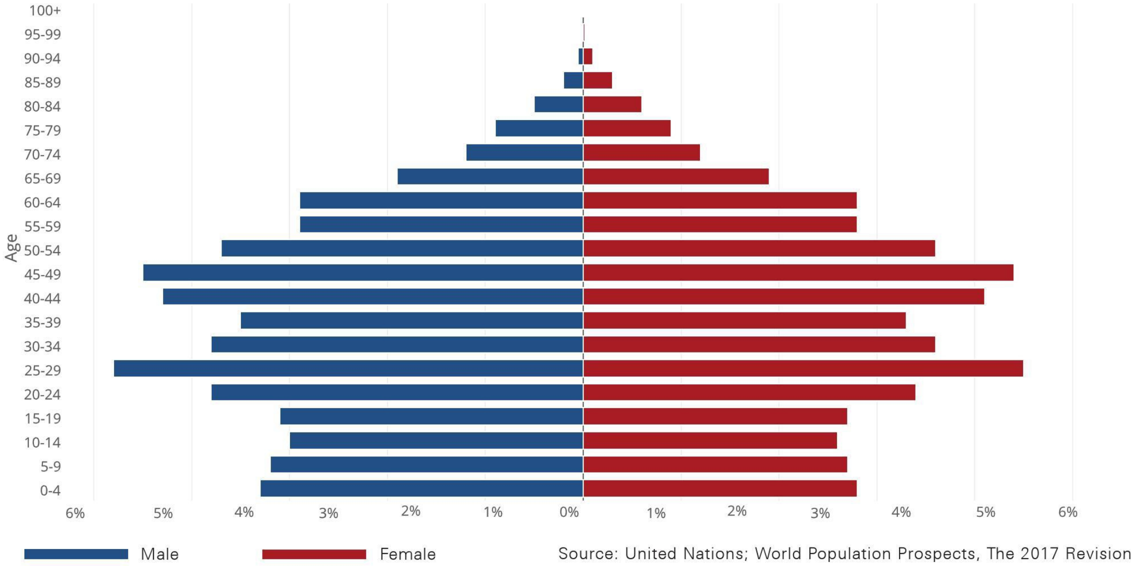
China is a market that has looked attractively valued at times relative to its growth prospects. However, China has already had a spectacular recovery from a correction that rattled markets globally in August 2015 and again in January 2016. China is the largest emerging market and a vital trading partner for many other key emerging markets, such as Brazil. While China remains an important source of long-term global economic growth, it faces some cyclical and structural challenges that Jimmy Chang discusses in his article.

South Korea is an emerging market that has screened well for valuation and poorly for governance. As the second largest emerging market after China, we believe that South Korea is an important economy and source for potential investments. We cover it in more detail in the articles from Michael Seo and Dr. Mariela Vargova.

Aging Populations

A major challenge South Korea and China already face, is an aging population. Countries that are major economic powers are aging rapidly, while most of the youth in the world is concentrated in the poorest nations. One useful country demographic is the median age of its citizens. The U.S., with a median age of 37.9 years (half of all Americans are 38 or older), ranks 62 out of 230 nations, making it one of the older nations in the world, though one of the world's younger developed markets. Aging in the U.S. is dwarfed by comparison to most of Europe and Japan. Japan and Germany have median population ages of 46.9 and 46.8, respectively. Remarkably, if people in the U.S. ceased having kids for the next nine years, only then would we have a median population age approaching those today in Japan and Germany. Europe has a median age of 42.7 as a region and is nearly five years older than the U.S.

CHART 1: **CHINA POPULATION DISTRIBUTION 2015**



Source: United Nations; World Population Prospects, The 2017 Revision

While we consider demographics as an important long-term factor for investing (as discussed in the Third Quarter 2015 issue of *Global Foresight: Investing for the Ages*), in the short run, it is eclipsed by economic cycles and political changes. For instance, Japan's and Germany's economies have each been performing well over the last few years, despite being the second and third oldest countries in the world with the median population age of 47 years (Monaco has the world's oldest population at 52 years). However, in the longer run, demographics factor into economic growth as consumption declines dramatically in your 50s and 60s from where it is in your 30s and 40s. Health care burdens also increase and presumably need to be funded with higher taxes that will eventually weigh on the disposable incomes of younger workers.

> "...in the longer run, demographics factor into economic growth as consumption declines dramatically in your 50s and 60s from where it is in your 30s and 40s."

The largest emerging market, China, has a median age comparable to the U.S. and arguably has far worse demographics as China faces a big decline in new workers over the next ten years when the number of retirees may exceed the number of new entrants into the labor force as shown in CHART 1.

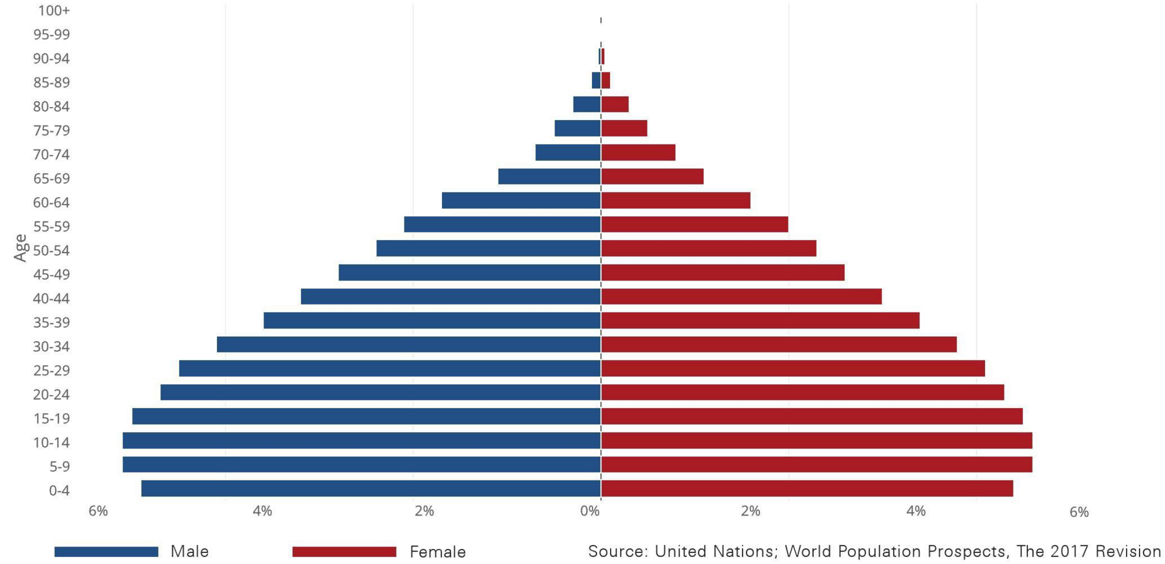
South Korea is the oldest emerging market with a median age of 41. East Asian economies, including Japan, have grown over the years due to migration from villages to urban centers, resulting in productivity gains that have fueled economic expansion. Although this migration may continue a while longer, EM investors should understand the reality that the economic growth case outside of South Asia and Southeast Asia is mostly limited to productivity gains. India has the best demographic profile of any major emerging market as shown in CHART 2, with progressively younger population brackets getting steadily larger, indicating a stable increase in labor force for long-term economic growth.

Young Ideas

Japan has seen a long, steady economic recovery behind the market-friendly policies of Prime Minister Abe. The U.S. has experienced slow but consistent growth, arguably being driven more by its culture of innovation and leadership in the tech sector that has led its market's returns. By comparison, Europe has been plagued by infighting and rotating economic and political crises for most of the last nine years. In addition, when we consider the challenges to growth Europe faces longer-term as a result of its aging populations, it would seem difficult to make the case that the bull market centered in the U.S. may see its next leg driven by its counterparts across the Atlantic. However, we see the European continent energized by the electoral success of 39-year-old Emmanuel Macron, who not only won the French presidency in May, but also a strong party majority in its legislative body, the National Assembly. This mandate should pave the way for economic reforms that we believe investors will embrace. It is a massive change in sentiment from six months ago when markets were fearing the "anti-European Union" rhetoric of since-defeated Marine Le Pen.

Unifying Europe is no easy task, but the best chance appears to be in the hands of a political outsider with pro-business and economic policies that manage to be sufficiently mainstream to keep France from fracturing into far-left and far-

CHART 2: **INDIA POPULATION DISTRIBUTION 2015**



Source: United Nations; World Population Prospects, The 2017 Revision

right camps. So far, Macron has fostered a good rapport with German Chancellor Angela Merkel, whom we expect to be reelected in September. The political risk in continental Europe is now centered in Italy, but we were encouraged that its far-left Five Star Movement suffered key defeats in recent regional elections, which could bode well for their next national election, likely to occur next spring.

In addition to Italy, Brexit remains a large political risk for 2018 as the weakened Tories will be negotiating with at best a tenuous alliance with the Democratic Unionist Party (DUP) and at worst may face another election and lose power altogether. We believe it is too soon to make major portfolio shifts based on Brexit, but we are watching this closely as substantial progress in negotiations will need to materialize months ahead of the March 2019 deadline. By this time next year, we would expect to see traction in negotiations and stability in Parliament or begin to consider reducing exposure to the British pound and companies exposed to that economy.

Aging Business Models

The "FANG" stocks—Facebook, Amazon, Netflix, and Google —have disrupted countless business models while seeing their own revenues and market values soar. Empty storefronts from Manhattan to malls in Middle America are evidence of the disruption facing rapidly aging business models like brick-and-mortar retail. When you include Apple and Microsoft in the FANG stocks, the six companies account for 12.83% of the S&P 500 Index. At the start of this bull market on March 9, 2009, these companies had a market value of $326 billion. Today, their market value is $2.97 trillion. Their sheer size alone suggests that they cannot keep compounding like they have. To maintain its ascent, the U.S. bull market will need new sectors to emerge as market leaders. The challenge will be economic growth. Companies that disrupt mature businesses, like many of the FANG stocks have, typically have not relied on a robust global economy to generate their amazing revenue growth. Most other sectors in the S&P 500 Index, however, would likely benefit from a stronger economy.

Summary and Conclusion

Many bull markets have interesting back stories as to how they begin and end. The latest bull market can arguably be traced back to March 9, 2009 when the CEO of Citibank, Vikram Pandit, released a memo to employees announcing that the company was having its best quarter since early 2007. The market embraced that memo as a sign the worst was over, especially for the beleaguered banking sector. The S&P 500 rallied from that day and eight years later is up nearly four-fold. As we consider future returns, valuation matters. In March 2009, the S&P 500 was selling for roughly 10 times depressed earnings and is now selling for about 18.7 times. The U.S. market leads the world in innovative companies and is priced for it.

As we look for opportunities overseas, we see political fortunes improving in Europe with some lingering headwinds that may appear in 2018. We could argue the same in the U.S. as the leadership in the House of Representatives can easily switch parties next year. If Europe can continue its economic improvement, we see the potential for more gains ahead for the region after a robust start to 2017.

The emerging markets offer some attractive valuations, but are not likely to be a panacea for global growth as the largest ones face the same challenges of aging and maturing development that confront most of the developed world. This bull market may keep moving, but like all of us past a certain age, not at a pace that we are used to. ●

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Yesterday Once More; Tomorrow Never Knows

China's housing boom once again fueled global growth, but how long will it last?

Let us begin with a trivia question—what was the most consequential publication in 1776? With this article being published around July 4, you would probably think we are hinting at the *U.S. Declaration of Independence*. That would be a good response, but unlike the laws of physics or mathematics, there is not exactly a right answer to such a question.

One could also point to a book published on March 9, 1776, that has had a transformative impact over time. It has a long title: *An Inquiry into the Nature and Causes of the Wealth of Nations,* and is generally referred to as *The Wealth of Nations*. This seminal work supposedly took Scottish economist and philosopher Adam Smith 10 years to complete, and was based on notes and observations spanning 17 years. It challenged the mercantilist and physiocratic economic theories that dominated the intellectual debate during the mid-18th century. Mercantilist theory held that countries grow wealthier by maximizing domestic production and exports, and was the basis for European imperialism. Physiocratic theory postulated that the wealth of nations was derived from the value of agricultural and land development, and could trace the inspiration to China's agrarian traditions.

The Wealth of Nations marked the birth of modern capitalism and also had an influence on our Founding Fathers. James Madison cited the treatise in arguing against the need for a central bank in 1791; Thomas Jefferson referred to it as the best book on money and commerce. In February 1977, in celebration of America's Bicentennial, the Federal Reserve Bank of Richmond published the paper *The Relevance of Adam Smith*. It pointed out the striking similarities between the intellectual spirit of *The Wealth of Nations* and the *Declaration of Independence*. Both railed against the heavy hand of the state, and emphasized individual liberty and the harnessing of individual self-interest to the welfare of the greater society.

So it is perhaps a tie between these two publications. One gave birth to modern economics that created the greatest prosperity in human history, and the other marked the founding of arguably the most powerful and wealthiest nation ever.

Do Not Bet Against the House

At around the time that America celebrated its Bicentennial, China reached a historic turning point. Chairman Mao passed away in September 1976, and a month later, the arrest of the Gang of Four marked the end of the decade-long Cultural Revolution. Deng Xiaoping then returned to power and embarked on reforms that powered roughly 10% real GDP growth per annum for the next four decades and lifted more than 800 million people out of poverty. Today, the Chinese economy is the largest in the world based on purchasing power parity.

Interestingly, China's rise had little to do with Adam Smith's free-market capitalism. While China's unprecedented economic ascension was indeed fueled by unleashing the energy and the profit-seeking self-interest of the individual, its development has always been shaped by the government's heavy hand. Successive Five-Year Plans, which first started in 1953, continued to guide social and economic development, and key industries remained mostly state-owned. Some argued that China has been pursuing a mercantilist policy in building up its manufacturing base to drive exports and accumulate foreign exchange reserves. Indeed, its share of global exports has remarkably grown from about 1% in 1980 to around 15% by 2016, the largest in the world. Some claimed that China even produces more sombreros than Mexico.

In the wake of the Global Financial Crisis in late 2008 and early 2009, China realized that the country's growth model could no longer depend on external demand, and responded by unleashing massive stimulus for infrastructure projects. It worked so well that China's growth skyrocketed, asset prices shot up, and the housing market became overheated. Globally, China's reflation and the Fed's quantitative easing generated an echo bubble in commodities and emerging market stocks.

By early 2011, China had to cool the economy and tackle the rising leverage and speculation. Policymakers also declared a shift in China's growth model to be more consumption-driven. The transition probably turned out to be more complicated than Chinese policymakers may have expected. Unlike the infrastructure-driven growth model under which the pace of growth could be controlled by adjusting the pipeline of construction projects, a consumption-driven model would let the "invisible hand" of self-interested consumers exert more influence. In other words, a consumption-driven model would cede more control to market forces and experience more unpredictability. While variability in realized growth versus projection is a fact of life in the rest of the world, Chinese officials have sought to minimize this uncertainty as the failure to hit growth targets could affect confidence.

With an estimated homeownership rate around 90% and many families holding multiple apartments as investments, China's housing market has an outsized impact on wealth, consumption and construction, as well as the general economy. As shown in CHART 1, the rapid housing price increases in 2010 and 2011 prompted regulators to cool the housing market, which resulted in price declines in 2012. However, the slowing economy soon pushed them to relax home purchase restrictions. Predictably, housing prices rebounded as a response, with double-digit increases in tier-one cities, prompting measures to tame the bubble once again by 2014.

It is quite clear that there is a momentum-driven herd mentality among Chinese buyers, as expressed in the Chinese adage "buy up market, not down" (买涨不买跌).

In an attempt to wean investors off real estate and channel their capital to highly leveraged state-owned companies, policymakers engineered a stock market rally in the second half of 2014. As the rally gained momentum, the herd flocked in (buy up market, not down) and pumped up a huge stock bubble that eventually blew up by mid-2015. This was followed by the renminbi's official devaluation in August 2015 to alleviate the pressure from the surging U.S. dollar.

Confronted with slowing economic growth, declining foreign exchange reserves, rising capital flight, and a collapsing stock market, Chinese policymakers shelved the reform agenda and went back to the proven playbook—infrastructure and real estate buildout. China even eased property investment rules for foreign institutions and individuals. The result was perhaps the biggest housing bubble ever in China's tier-one cities—prices surged over 30% year-over-year by the spring of 2016. It is as if China was validating the old physiocratic economic theory which postulated that the wealth of a nation lies in its land development.

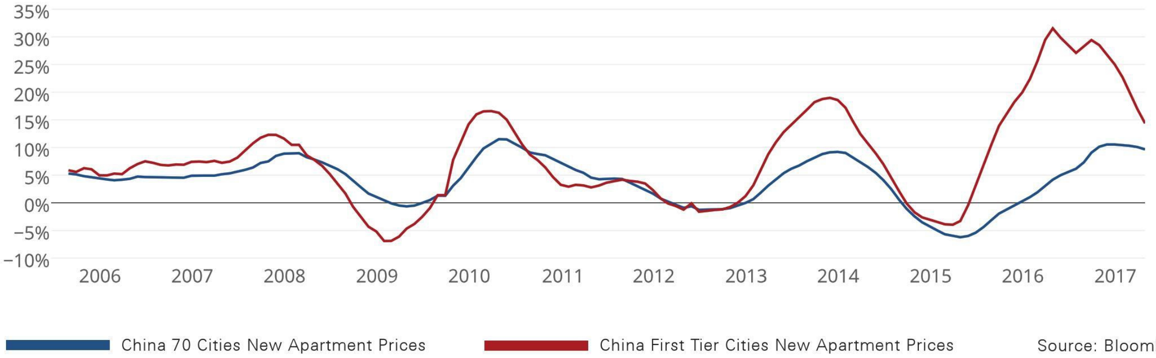
For years China has justified its rapid property price increases on the basis that it is just catching up to global metropolises such as London, New York, Hong Kong, Tokyo, etc. The latest price surge has indeed accomplished that and more. For example, a run-of-the-mill two-bedroom apartment in Beijing's financial district now costs more than $2,000 per square foot. Skyrocketing domestic property prices have also distorted many Chinese investors' views of foreign properties—they are bargains relative to prices in Beijing, Shanghai and Shenzhen. It is no wonder Chinese investors have bid up property prices in many major cities around the globe. As a sign of the times, Warren Buffett's Berkshire Hathaway HomeServices has recently teamed up with China's Juwai.com to bring American residential property listings to China.

An Under-Appreciated Reflation Story

According to a U.S. State Department memo released by WikiLeaks, when Chinese premier Li Keqiang was serving as the party secretary of Liaoning Province in 2007, he supposedly told a U.S. ambassador that he did not have confidence in the provincial GDP data. He preferred to monitor three indicators to assess the state of the local economy: the rail freight volume, electricity consumption and bank loan volume. In 2010, *The Economist* introduced the Li Keqiang Index, which takes the weighted average of these three metrics' annual growth rates to track Chinese economic growth.

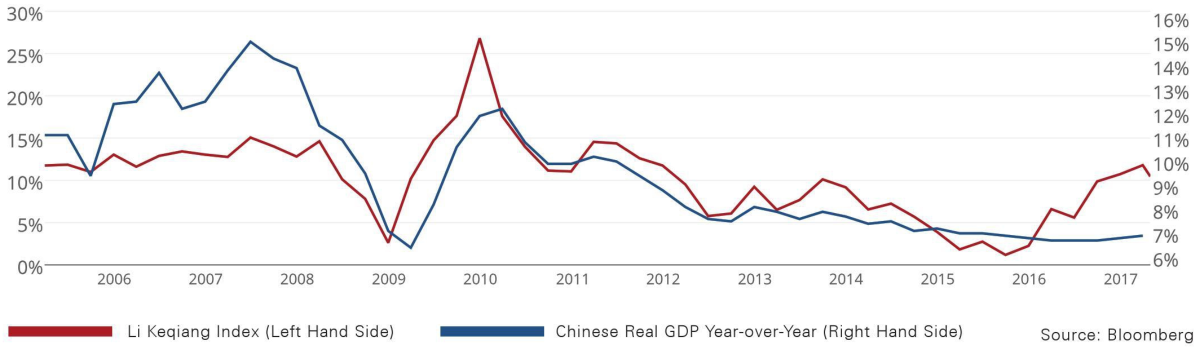
The Li Keqiang Index has indeed tracked the direction of China's reported GDP data as shown in CHART 2. There was a clear growth deceleration in 2015 and a strong rebound in 2016.

CHART 1: **YEAR-OVER-YEAR CHANGE IN CHINA NEW PROPERTY PRICES**



Source: Bloomberg

CHART 2: **THE LI KEQIANG INDEX VERSUS CHINESE REAL GDP GROWTH**



Source: Bloomberg

Furthermore, CHART 3 shows that, directionally, the Li Keqiang Index maps pretty well to the ebb and flow of Chinese property prices, confirming the thesis that property prices have much impact on the Chinese economy.

A close examination of CHART 2 raises an interesting observation: Lately, the Li Keqiang Index has accelerated much more than the reported GDP growth. One could surmise that China's actual GDP growth (measured on a year-over-year basis rather than on an annualized sequential change) may have been greater than the reported 6.9% in the first quarter of 2017. This could be rationalized by the conjecture that the actual growth in early 2016 may have been lower than the reported 6.7%.

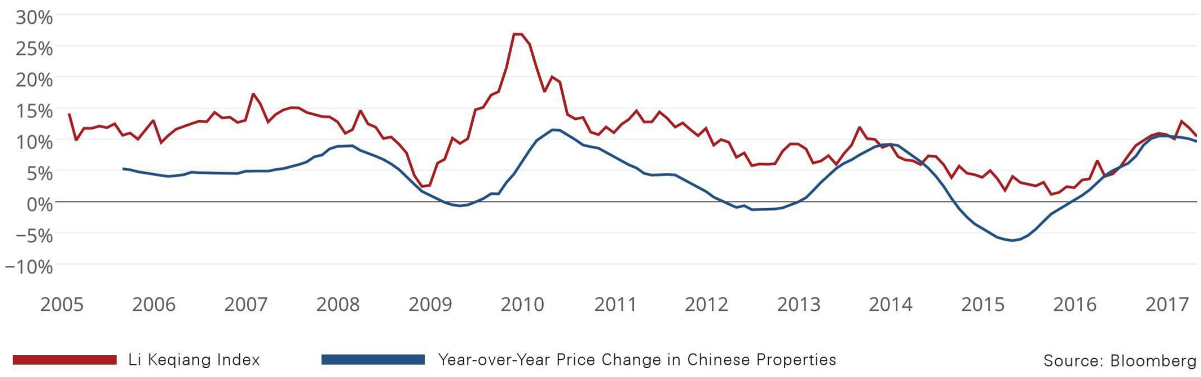
One indicator of China's strong growth is the year-over-year changes in its imports as shown in CHART 4. Imports surged 24% year-over-year in U.S. dollar terms, and 31% in renminbi terms during the first quarter of 2017. To be fair, part of the surge was due to the rebound in commodity prices. However, China's $58 billion import from Germany and Japan, two non-commodity countries, was still up an impressive 17% year-on-year. In the first quarter of 2016, China's imports from those two countries had declined 10%.

We believe China's strong reflation, thanks to the infrastructure buildout and the unprecedented property price increases in major cities, may have been the most impactful yet under-appreciated catalyst that fueled the synchronized global economic recovery since the summer of 2016. The good news is that China's growth is likely to remain healthy for the remainder of 2017, as stability is paramount ahead of the quinquennial power transition this autumn. However, the uncertainty starts to rise as we look beyond 2017.

Shadow Boxing

Over the past few years, China watchers have been urging Chinese policymakers to introduce bold reforms and market forces to tackle the country's rapidly growing leverage, over capacity, and housing bubble. However, with stability being of utmost importance, policymakers could not afford to take a chance with the market's invisible hand. Tough reforms in the context of slowing economic growth also ran the risk of jeopardizing social stability. Now, however, with the economy on a much stronger footing, Chinese policymakers have started to push through some needed reforms.

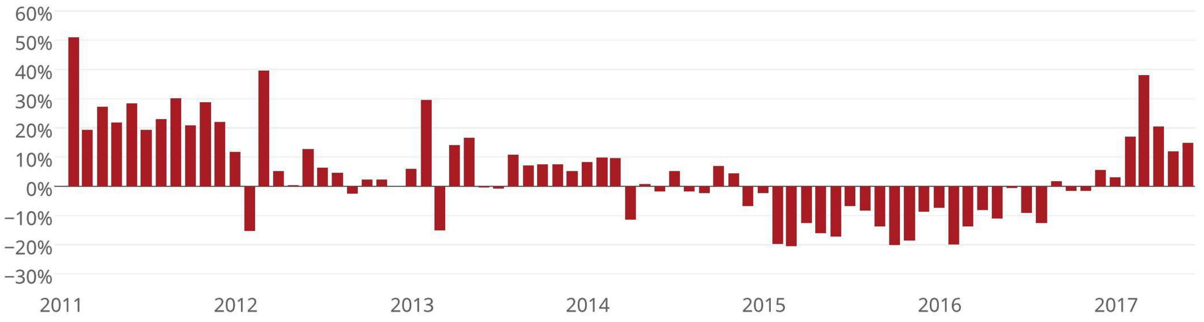
CHART 3: **LI KEQIANG INDEX VERSUS YEAR-OVER-YEAR PRICE CHANGE IN CHINESE PROPERTIES**



Source: Bloomberg

With Chinese President Xi calling for a heightened effort to reduce systemic financial risk, regulators have started to tackle the bloated shadow banking system. Since taking office in February, Guo Shuqing, China's top banking regulator—with the nickname "Whirlwind Guo" for his no-nonsense management style—has already issued a series of directives to reduce leverage. For example, banks were asked to implement higher standards for interbank lending and for selling third-party wealth management products (a primary source of funding for the shadow banking system). In April, China's top insurance regulator was detained for corruption, and the regulatory agency has since taken disciplinary actions against some high-profile insurance companies that have deviated from the core insurance business by using shorter-term funding to finance corporate takeovers, as well as overseas acquisition sprees.

CHART 4: **YEAR-OVER-YEAR CHANGE IN CHINESE IMPORTS (BILLIONS OF USD)**



Source: Bloomberg

These measures have driven up China interbank lending rates, as well as corporate bond yields. The squeeze on the shadow banking system has led to a big jump in aborted bond issuance. In May, China's net corporate bond issuance dropped to a record low of *negative* 217 billion yuan as some bond issuers were unable to roll over their maturing bonds.

On the housing front, various cities have rolled out new administrative measures with the aim of keeping housing prices flat. A few cities even resorted to the draconian measure of a *10-year* lock-up period for new apartment purchases—buyers of new apartments built on recently auctioned off land are prohibited from selling their units for a decade.

China has also continued to stem the capital outflow. Starting this July, Chinese banks and financial institutions have to report all domestic and overseas cash transfers of more than 50,000 yuan ($7,700), compared to the prior threshold of 200,000 yuan ($29,338). Funds transferred overseas are prohibited from purchasing properties, investments, and insurance products. Various new restrictions have also been placed on Bitcoin trading exchanges, as well as overseas use of credit cards. In short, it appears that capital flight from China will get somewhat more difficult for ordinary citizens.

Tomorrow Never Knows

While we believe China's economy should hold up well going into the 19th Party's Congress this autumn, its growth is likely to decelerate, and the lagged effects of the tightening measures on the shadow banking system and on the housing market could become quite visible by 2018. Housing price changes could be flat or even negative by this time next year.

If the past is any guide, Chinese policymakers may once again loosen property purchase restrictions next year to stimulate growth. Therein lies the moral hazard—it is well known that Chinese policymakers would not risk a sizeable correction in the housing market, and therefore would reflate again to strengthen economic growth. However, with property prices in China's tier-one cities already on par with or even exceeding those of major global cities, it will be hard to rationalize another round of substantial price increases. In other words, using the property market as a lever to stimulate economic growth is not a sustainable long-term solution.

Although equity volatility picked up some in June, most equity investors still appeared to be basking in the glow of a synchronized global recovery. However, the canary in the coal mine may be iron ore: having rallied from the December 2015 low of $37.50 per metric ton to nearly $95 in February 2017, it has lost roughly 30% to $65 a metric ton by the end of June.

In the final analysis, the global economy has benefited from China's rapid growth. However, China will likely be at a crossroads as President Xi embarks on his second term in 2018. Will policymakers inflate the housing bubble further to support economic growth? Will they find new levers to keep the economy growing above 6% per annum, or will they settle for a lower but more sustainable pace? The law of large numbers portends that the next five years will likely be more challenging for Chinese policymakers than the last five years. ●

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Leveling the Playing Field

Investment opportunities in the changing South Korean landscape

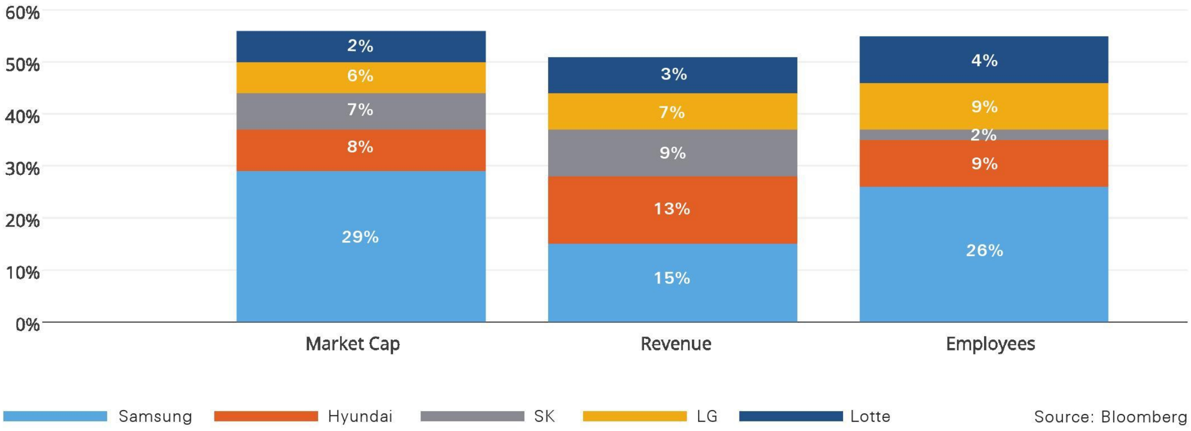
South Korea has grown over the last 50 years from a poor mostly agricultural economy to a powerful exporter with the 11th highest GDP in the world. Its growth has been built on the back of its *chaebol* system – conglomerates of companies that are family-controlled, often spread across multiple industries. While this structure has served Korea well in terms of rapidly developing its industrial base, it has also been associated with ongoing governance issues. The risks associated with investing in Korea have historically resulted from its stock market having a much lower valuation than those of comparable economies.

As an example of recent governance issues, consider that Chey Tae-Won, chairman of the SK chaebol, had been serving a four-year prison sentence for embezzling $40 million from the SK companies. He was pardoned by former President Park Geun-Hye in the summer of 2015 and soon found himself back in the familiar leadership role of his family conglomerate. Political actions such as this pardon or nepotism within large publicly traded corporations are common, if not expected, in Korea. Throughout its history, the nation's gyrating politics and powerful businesses maintained a symbiotic relationship that propelled tremendous GDP growth while tarnishing the political reputation of a nation. The cultural and regulatory disregard of misconduct is at the root of Korea's corporate governance, especially among the chaebols.

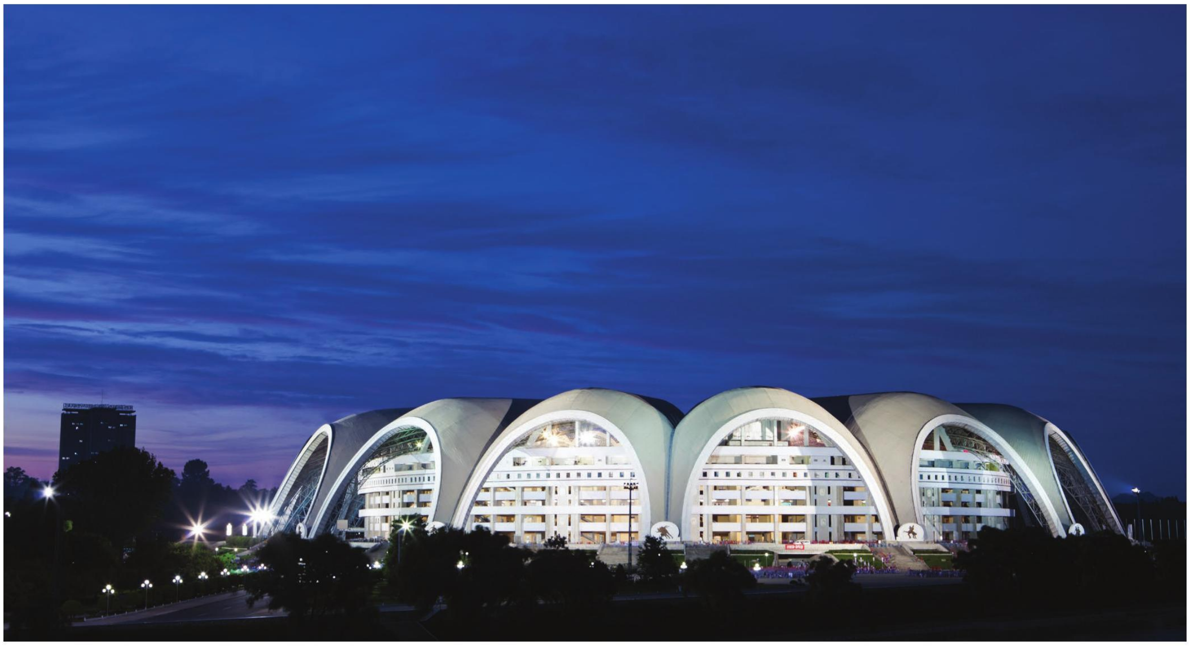
The five most recognizable chaebols as shown in CHART 1 (Samsung, Hyundai, SK, LG, and Lotte) collectively represent over 50% of the market capitalization of the Korea Composite Stock Price Index (KOSPI) and 47% of its revenues. Samsung Electronics alone represents a 21% share of the KOSPI market capitalization and 21% share of employees which is emblematic of the chaebols' influence in Korean society.

During Park Geun-Hye's 2012 presidential election campaign and political career, Ms. Park had been critical of past presidents who had abused the power to pardon individuals and sought to limit the government's role in granting pardons. Her decision

CHART 1: **CHAEBOL % SHARE OF THE KOSPI INDEX**



Source: Bloomberg



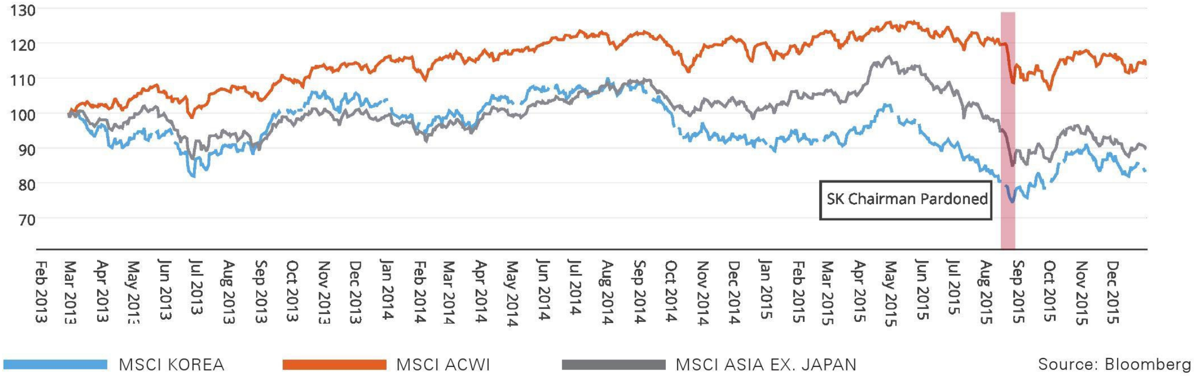
Pyongyang, North Korea, is home to the largest stadium in the world with a seating capacity of over 114,000. Source: Getty Images

to release Chey Tae-Won accelerated the demise of her political career. Ironically, she finds herself in prison awaiting trial while the Korean stock market continues to trade at a discount to peers. In addition, MSCI Korea's relative valuation is also suppressed by the mercurial behavior of North Korea whose recent missile tests have dominated global headlines.

A truly embarrassing South Korean political scandal emerged in the fall of 2016 when a journalist discovered a computer belonging to a personal confidant of President Park Geun-Hye. The contents of the device, belonging to Choi Soon-Sil, revealed that she had access to confidential presidential documents including speeches that were ultimately altered and influenced by Ms. Choi Soon-Sil. In the weeks following this revelation, the mighty chaebols of Samsung, Lotte and SK were once again linked to the current political impropriety. It is alleged that members of these chaebols (among others) were coerced into contributing large sums of money to a foundation established by Ms. Choi Soon-Sil in order to maintain a positive relationship with President Park Geun-Hye.

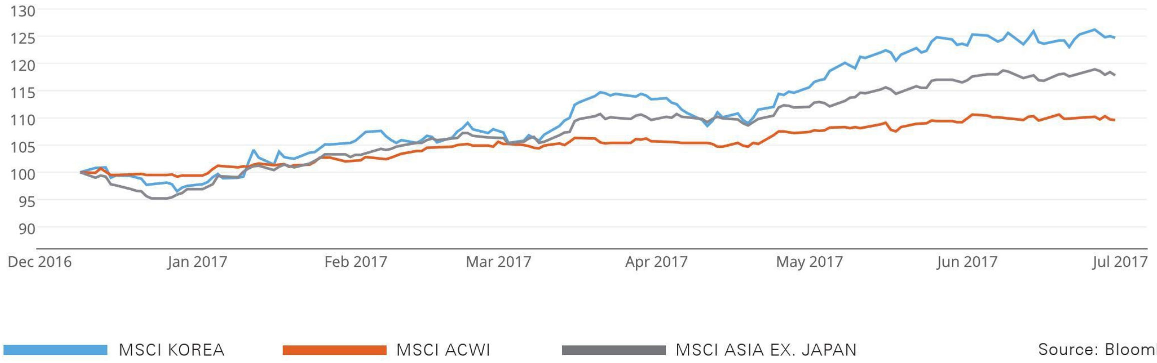
The Korean stock market languished as a result of President Park Geun-Hye's miscues as shown in CHART 2. The performance of the MSCI Korea Index starting from the beginning of President Park Geun-Hye's term was down 25% by late August 2015, which coincided with Mr. Chey Tae-Won's pardon in the week prior. The Korean market drastically underperformed the MSCI Asia ex. Japan Index which was down 14% and the MSCI ACWI Index which was up about 9% during that period. Korea's recursive political environment was frustrating for many Koreans. It is widely believed that chaebols sapped the entrepreneurial vigor of small business owners and young adults who were experiencing unemployment rates of over 9%. However, the decision to impeach President Park Geun-Hye on

CHART 2: **PERFORMANCE SINCE PARK GEUN-HYE INAUGURATION**



Source: Bloomberg

CHART 3: **PERFORMANCE SINCE DECISION TO IMPEACH**



Source: Bloomberg

December 9, 2016 proved to be a pivotal point for the country. The large-scale protests seeking a permanent change from the cronyism that runs rampant within Korea were finally being heard.

It is no coincidence that since December 9, 2016, the MSCI Korea Index has outperformed as shown in CHART 3 the same indices it lagged during President Park Geun-Hye's tenure. Investors and Korean citizens alike were finally sensing hope with the leading presidential candidates. Moon Jae-In's eventual victory on May 10 secured the belief that a president in the Blue House was working for the people and not exclusively for the chaebols.

President Moon Jae-In has increased investor expectations for corporate reforms and it is critical for the nation to continue down this path of weakening family ties that maintain a stranglehold on the Korean economy. President Moon Jae-In has quickly appointed key members for advisory and cabinet roles that are aligned with the vision of eliminating corruption, enhancing corporate governance, and revitalizing a fractured economy.

> "President Moon Jae-In has increased investor expectations for corporate reforms and it is critical for the nation to continue down this path of weakening family ties that maintain a stranglehold on the Korean economy."

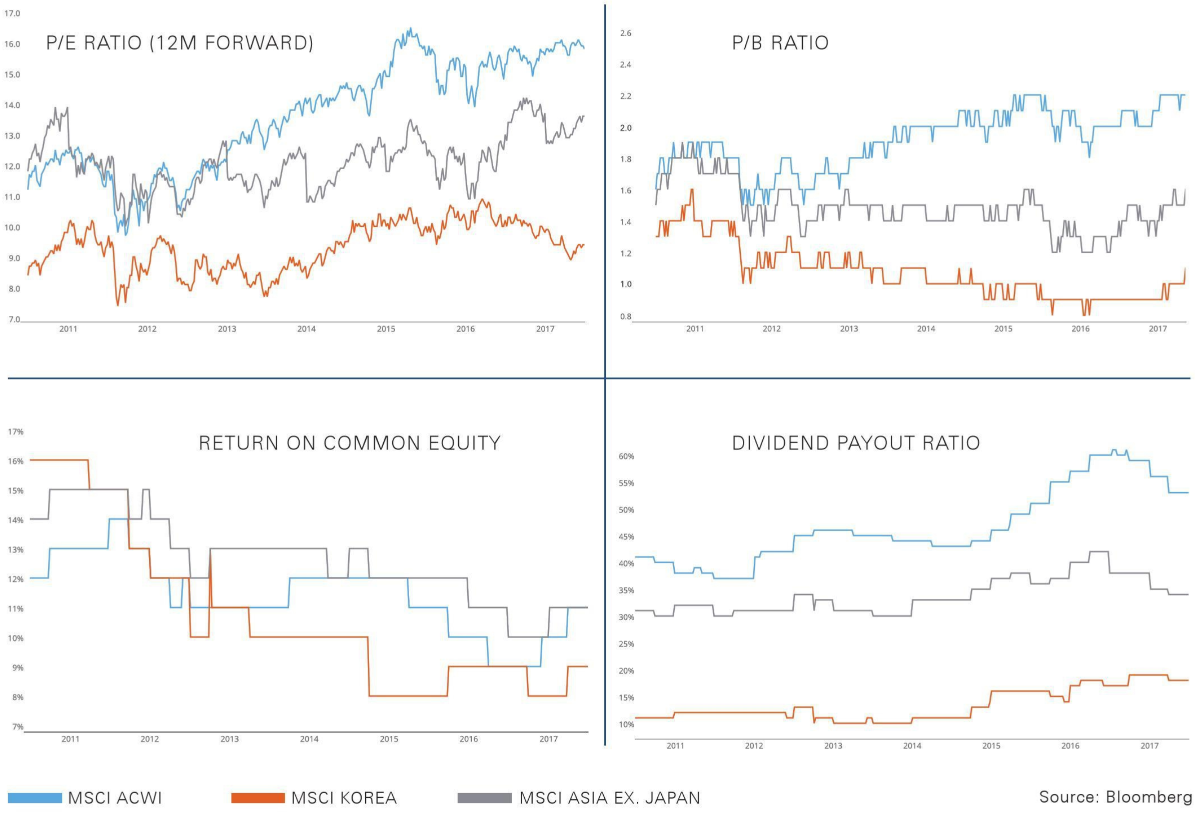
Korea's decision to install the Terminal High Altitude Area Defense system (THAAD) under the prior administration resulted in escalating political tension between China and South Korea. In the weeks leading up to President Park's impeachment hearings, China discouraged its citizens from traveling to Korea and restricted the sale of Korean consumer goods. President Moon Jae-In has moved swiftly to improve the crumbling relationship with China by reevaluating the deployment of the system. A friendly call with President Xi Jinping after his election gradually improved the relationship and is expected to help navigate the complex political relationship with North Korea.

President Moon Jae-In, who was once the Chief of Staff to President Roh Moo Hyun (1998-2008), assisted President Roh in implementing the "Sunshine Policy." The Sunshine Policy was an attempt by the South Korean government to engage North Korea with a softer, humanitarian stance in an effort to build a peaceful relationship. President Moon will likely reengage communications with North Korea in a similar manner.

The president appointed Jang Ha-Sung, formerly the dean of Korea University's Business School, to the position of Chief of Staff for Policy. Jang Ha-Sung is a familiar face within the world of corporate reform as the founder of the People's Solidarity for Participatory Democracy (PDSD), a civil organization pursuing shareholder reform. The PDSD was formed in the late 1990s and successfully fought for minority shareholders in legal battles against SK Telecom, Samsung Electronics, and others.

Another governance advocate with a boisterous history of shareholder activism, Kim Sang-Jo, a professor of economics at Hansung University and executive director of "Solidarity for Economic Reform" (SER) was appointed as the Head of the Fair Trade Commission (FTC) in early June. Kim Sang-Jo and Jang Ha-Sung are longstanding allies in the field of corporate activism with Mr. Kim succeeding Mr. Jang as first chairman of PDSD's future organization in 2006.

The Korean stock market has been a star performer in 2017 with the KOSPI up approximately 24%, year-to-date in $USD basis and outperforming neighboring markets, such as Japan, CHART 4: **REGIONAL VALUATIONS**



Source: Bloomberg

Hong Kong and China. Despite the recent strong performance, the market is still inexpensive relative to other regions and indices. MSCI Korea's price-to-book (P/B) ratio of 1.1x and price-to-earnings (P/E) (12 month forward) ratio of 9.4x are 30% and 31% lower than MSCI Asia ex. Japan Index, respectively as shown in CHART 4.

Three Korean industry groups or sectors currently offer compelling relative valuations when contrasted against other geographies. The Korean Automobiles and Components industry group currently trades at a P/B ratio of 1.0x which compares favorably to Japan's P/B ratio of 1.4x. When comparing the automobile original equipment manufacturers (OEM), Korean OEMs trade at a P/B ratio near 0.5x book, which is a steep discount to their Japanese rivals. The Korean Automobiles and Components industry group appears undervalued when you also consider the fact that the five-year average return on equity (ROE) was 14.4% versus 11.8% for the Japanese group.

Utilities is another sector where the valuation disparity is stark. Korea's largest electricity producer currently trades at a P/B ratio of 0.4x despite three stellar years of strong operating margin and prudent capital discipline. By comparison, the Japanese utility sector currently trades at P/B ratio of 1.0x with the Tokyo regional electricity producer trading at a P/B ratio of 0.6x despite ¥10 trillion of possible unreserved liabilities stemming from a 2011 nuclear disaster. Finally, Korean banks are currently trading at a P/B ratio of 0.8x, which compares favorably to Japan's 1.0x and Italy's 0.9x. It is estimated that the loan portfolios of the Korean banks have improved in recent years as evidenced by improving ROE. In the most recent fiscal year, Korean banks generated ROE of 7.7%, outperforming Japan's 7.5% and Italy's 6.7%.

These discrepancies in valuation have just started to close with the new president and the formation of his cabinet, but Korean market multiples have the potential to converge closer to global levels with a successful execution of corporate reform. We are not advocating that the new government implement heavy-handed methods to incite change among the chaebols. Instead, we believe that working with the chaebols in enhancing governance, minimizing cross holdings, creating board independence and minority shareholder protection, would be well received by global investors and mostly rewarding to chaebol valuations. For a further look at corporate governance in South Korea, please see the following article by Dr. Mariela Vargova. ●

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The Promise of Governance Reform—South Korea

In his inauguration speech on May 10th, the newly elected South Korean President Moon Jae-In vowed to put chaebol reform at the forefront of his political and economic agenda. "Under the Moon Jae-In administration," he asserted, "the collusive link between politics and business will completely disappear."[1] The promise of meaningful governance reform comes in the wake of the biggest political corruption scandal in Korea that saw the impeachment and the arrest of democratically elected President Park Geun-Hye on charges of "collecting or demanding $52 million in bribes"[2] from Samsung, one of Korea's largest family-owned conglomerates, known as chaebol.

The presidential scandal in Korea also led to the latest high-profile corporate arrest in the country. In February, Jay Y. Lee, vice chairman and acting leader of Samsung's conglomerate empire, was arrested on accusations of bribery to former President Park and her inner circle in exchange for securing a controversial merger of Samsung Construction and Trading Corporation and Cheil Industries. While the image of a handcuffed Lee sent shockwaves across the business world, his arrest was not unprecedented. In the past, his father Lee Kun-Hee, current chairman of Samsung, was convicted twice of corruption and pardoned. Similarly, in 2007, Hyundai's Chairman Chung Mon-Koo was found guilty of fraud and pardoned. And in 2013, SK's Chairman Chey Tae-Won was convicted of embezzlement and later pardoned.[3] The family-owned conglomerates have long dominated the economic life of modern Korean society, accounting for roughly 50% of the total share of the Korean stock market. Their close ties with the government and state bureaucracy have fueled growing public distrust and frustration with the nation's leadership and has led to increased shareholder discontent.

Korea's Governance Practices

The collusion of politics and business in Korea highlights the poor practices of corporate governance and business ethics. Corporate governance studies on Asia consistently rate Korea as lagging in governance behind leaders in the region.[4] Korea underperforms its peers in the areas of board independence, ethics and transparency in corporate governance.

Korea, however, has not always been viewed as the laggard in Asia's governance landscape. Right after the Asian Financial Crisis of 1997-1998, the country underwent important governance reforms that sought to quickly and significantly increase corporate board independence and the overall governance of publicly-traded Korean companies. For instance, the proportion of listed firms with at least one outside director grew from 34% in 1999, to 62.3% in 2000, to reach 94% in 2007.[5] In 2001 and 2003, the country's Security Exchange Acts required large listed companies (those with about $2 billion in market capitalization) on the Korea Exchange and KOSDAQ to have at least three outside directors and for one half of their boards to be independent. In 2004, the board independence requirements were further strengthened with the stipulation that there be a majority of independent board directors for large companies. This is on par with leading international best practices in corporate governance. The Korean Commercial Code also stipulates that outside or independent directors must not be related to management while acting as fiduciaries.[6] This resonated with the impetus towards greater board independence to mitigate the role of corporate insiders and create new independent auditing structures within Korean corporations.

In 2012, the Korean Commercial Code was revised to further enhance the board's fiduciary duties. It required the approval of two-thirds of directors for all internal transactions and for new business dealings with third parties. If transactions or deals benefit founding families or management at the expense of minority shareholders, the approving directors will be personally liable for the losses.[7]

Notwithstanding these developments towards good governance, ethics controversies involving Korean chaebols surged over the past several years. A prime example is the notorious Hyundai Motor land bid in 2014 for which the company paid the excessive price of $10 billion, three times the land's market value of $3 billion, angering investors and hurting shareholder value. According to reports, while the boards of directors of Hyundai consortium companies voted to unanimously approve the deal, the company's outside directors were kept in the dark about the price as it was considered by management to be a confidential matter. All these instances point to a serious lapse in the enforceability of existing corporate governance rules and a lack of accountability. They call into question the true independence of the boards of Korean conglomerates and the ability of outside directors to effectively oversee management and protect all shareholders' interests.

Recent research on Korean-listed companies shows strong social ties between independent directors and management of Korean conglomerates. While 87% of boards are in theory independent, only 62% are when one considers social ties.[8] The composition of Korean boards also poses concern as the percentage of directors with business or management backgrounds has decreased from 45.2% in 2004 to 28.4% in 2011.[9] This, while the number of former public officials has sharply increased from 2.7% in 2004 to 8.9% in 2011. Interestingly, in Korea's boardrooms, the inclusion of professors and lawyers as independent directors has become common. The need for stronger independent oversight and monitoring of management is especially important for Korean chaebols as they concentrate the managerial power into the board's chairman, a member of the founding family. The chairman's control over all subsidiaries of the conglomerate through the management council and appointment of management of all affiliated firms has been a serious concern for minority shareholders seeking more accountability and managerial transparency.

> "With the adoption of a Stewardship Code, our expectations are that shareholders in Korean equities, and especially in chaebols, will use their voice more actively to promote positive governance change and long-term shareholder value creation."

Protecting Shareholder Interests

At the core of Korea's governance challenges lies a structural problem at the chaebol: the complex system of cross-shareholdings. On average, the founding family of Korean conglomerates owns about 10% of the parent company's shares, while other listed subsidiaries own more than 30%.[10] The founding family is a shareholder in the other chaebol subsidiaries, and the subsidiaries reciprocate by owning shares in the other companies. The circular ownership structure has been of investor concern as it provides a framework for related party transactions and potential conflict between family shareholders and external shareholders. For many, these concerns have been factored into what has been called for over a decade the "Korean discount."

With the promise of sweeping governance reform by the new President Moon Jae-In, foreign investors are looking today for better protection of minority shareholder rights and stronger constraints on chaebol businesses. On the politico-economic reform agenda are topics such as: 1) reforming the Korean Commercial Code by mandating separate elections for audit committee members, 2) allowing shareholders of parent companies to sue directors of subsidiary firms, 3) lowering eligibility thresholds for filing representative lawsuits, 4) regulating compensation for controlling shareholders and management, as well as 5) introducing mandatory electronic and cumulative voting.[11]

One of the most ambitious goals includes proposed amendments to Korea's Monopoly Regulation and Fair Trade Act, introducing constraints on chaebol businesses and banning all existing circular ownership structures of chaebols within three years.[12]

The calls for big governance reform in Korea were first publicly voiced by chaebols' shareholders themselves. In 2015, at Hyundai Motor's annual general meeting, shareholders openly confronted management about the controversial land deal and proposed a new governance committee to strengthen oversight and accountability. In an unprecedented fashion, their shareholder action prompted the company to set up a separate Corporate Governance and Communication Committee consisting of four independent directors, and to engage in shareholder outreach. In 2016, Hyundai Motor officially announced its new "Corporate Governance Charter" in an effort to enhance transparent business management and to promote shareholder rights.[13] Similarly, in November 2016, Samsung announced a "Comprehensive Roadmap to Enhance Long-term Shareholder Value Creation," committing to improve governance by increasing its board's independence, as well as the diversity and breadth of experience of its directors.

Changing Korea's Business Culture

The expected governance reform in Korea is an opportunity not only to disentangle politics from business, but also to create better institutional protection for all shareholders. It also serves as an opportunity to change the culture of investing in the country.

In February, Korea's Financial Services Commission introduced the country's first Stewardship Code, encouraging big investors like pension plans and asset managers to actively engage with investee companies and to monitor their management decisions. This trend towards investor stewardship and active ownership echoes the progress already made in other Asian markets such as Japan, Hong Kong, Malaysia, the Philippines, Singapore, and Thailand. With the adoption of a Stewardship Code, our expectations are that shareholders in Korean equities, and especially in chaebols, will use their voice more actively to promote positive governance change and long-term shareholder value creation. ●

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ROCKEFELLER
ASSET MANAGEMENT

MONTHLY Market Review

November 1, 2017

A “Vixing” Puzzle

Market’s unusual lack of volatility; Be fearful when others are greedy

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October has historically been a spooky month in which some of the biggest market declines took place – the crash of 1929, 1987’s Black Monday, the financial crisis of 2008, etc. This October, however, there were only treats and no tricks – the biggest one-day movement for the S&P 500 Index during the month was a 0.81% gain, and the biggest down day had a mere 0.47% drop. That said, there was quite a bit of turbulence among individual stocks. The Information Technology sector had a huge month, with the so-called FANG stocks (Facebook, Amazon, Netflix, Google) leading the way up, while some old economy bellwethers and the much beleaguered brick and mortar retailers took a beating. The rising hope of U.S. tax reform and the continued strength of the global economic expansion lifted U.S. Treasury yields as well as commodity prices from oil to copper. The U.S. reflation expectation also boosted the greenback. European sovereign bond yields and the euro declined after ECB President Draghi announced a reduction in monthly asset purchases starting in 2018, but promised a longer duration of QE. China completed its quinquennial leadership transition at the conclusion of the 19th Party Congress, which should usher in a new era with more focus on the quality of growth over the quantity. President Xi now awaits President Trump’s State visit to Beijing on November 8th. Investors will likely be focused on issues ranging from trade to North Korea, though major breakthroughs appear unlikely. Lastly, there is still one unresolved sleeper issue that may come back to roil the market – will a new bipartisan deal be reached in time to fund the U.S. government beyond December 8th, when the current continuing resolution expires?

Equity Markets Indices[1]	9/30/2017 Price	10/31/2017 Price	MTD Change	YTD Change
MSCI All Country World	487	497	2.0%	17.7%
S&P 500	2519	2575	2.2%	15.0%
MSCI EAFE	1974	2003	1.5%	18.9%
Russell 2000®[2]	1491	1503	0.8%	10.7%
NASDAQ	6496	6728	3.6%	25.0%
TOPIX	1675	1766	5.4%	16.3%
KOSPI	2394	2523	5.4%	24.5%
Emerging Markets	1082	1119	3.5%	29.8%
Fixed Income				
2-Year US Treasury Note	1.49%	1.60%	12	41
10-Year US Treasury Note	2.33%	2.38%	5	-7
BarCap US Agg Corp Sprd	1.01%	0.95%	-6	-28
BarCap US Corp HY Sprd	3.47%	3.38%	-9	-71
Currencies				
Australian (AUD/$)	1.28	1.31	-2.3%	6.3%
Brazil Real (Real/$)	3.16	3.27	-3.3%	-0.5%
British Pound ($/GBP)	1.34	1.33	-0.9%	7.6%
Euro ($/Euro)	1.18	1.16	-1.4%	10.7%
Japanese Yen (Yen/$)	113	114	-1.0%	2.9%
Korean Won (KRW/$)	1145	1120	2.2%	7.6%
US Dollar Index (DXY)	93.08	94.55	-1.6%	8.1%
Commodities				
Gold	1280	1271	-0.7%	10.3%
Oil	51.7	54.4	5.2%	1.2%
Natural Gas, Henry Hub	2.89	2.80	-3.0%	-24.0%
Copper (cents/lb)	296	310	4.9%	23.8%
CRB Index	183	188	2.4%	-2.6%
Baltic Dry Index	1356	1534	13.1%	59.6%

SOURCE: BLOOMBERG

The Original Big Short

The Amsterdam Stock Exchange, founded by the Dutch East India Company in 1602, is recognized as the world's oldest stock exchange. It facilitated a secondary market to trade stocks and gave rise to trading clubs during the mid-17th century where speculators would congregate. Messengers would rush to and from the exchange to update pricing to customers.

The combination of elevated investor complacency and a tightening Fed makes the market vulnerable to a pullback.

In 1867, the invention of the stock-ticker machine, also known as the ticker tape, obviated the need for messengers. Stock transaction data was transmitted by telegraph to a ticker tape that would continuously print out abbreviated company names (ticker symbols) followed by the price and volume data. Thomas Edison later upgraded the system to reach a printing speed of one character per second. Ticker tape eliminated the need for messengers and allowed people to trade in "real time" from long distance.

In 1900, 14 year-old Jesse Lauriston Livermore started working as a quotation board boy in the Boston office of Paine Webber. His job was to update the board with information coming off the ticker tape. He became interested in the behavior of stock prices and began recording price movements that enabled him to spot patterns prior to sizeable advances and declines. A fellow office boy later talked him into speculating on a stock on margin at a bucket shop. Two days later, Jesse sold the position with a $3.12 profit. He soon quit his job and started trading for a living.

Jesse made his first $1,000 (around $27,600 in today's dollars) at the age of 15. He was later banned by most bucket shops in Boston as he had outfoxed many of the shady operators. By the age of 20, he had accumulated $10,000. Then came the big payday – the Panic of 1907 – during which Jesse shorted the market and made $1 million ($25 million in today's dollars). He would top this feat and live up to the reputation as "The Great Bear of Wall Street" by shorting the market in 1929 for an astounding $100 million profit ($1.43 billion in 2017!), making him one of the richest men in the world.

Unfortunately, the concept of diversification probably never crossed Jesse's mind. He somehow managed to lose all his money and was bankrupt by 1934. The bankruptcy resulted in an automatic suspension of his membership on the Chicago Board of Trade. In 1940, the legendary trader, suffering from depression, shot himself in the cloak room of Manhattan's Sherry-Netherland Hotel.

Rise of the Machines

How things have changed from those simpler days when humans were doing the trading. Today, with the advent of technology, market activity is dominated by passive and various quantitative strategies. It is estimated that fundamental discretionary investors now account for only 10% of the trading volume. Big inflow into major ETFs prompted buying across the board regardless of company specific issues and valuations. Big data and machine learning are the new buzz words. *Forbes* recently featured a quant fund run by three twenty-somethings. Their assets under management was in the low tens of millions of dollars, yet they averaged $1 billion in transactions, or 10,000 to 40,000 trades each day. Since there are only 86,400 seconds in a day, this fund would generate a trade every 2.16 to 8.64 seconds if it worked around the clock. Much of the decision making and trade execution, of course, has been taken over by software algorithms. These whiz kids employed statistical arbitrage trading strategies in stocks and currencies, and closed out all trading positions at the end of each day.

The allure of sophisticated computer models trouncing their human competitors has continued to attract inflow to quant funds. It is estimated that quantitative hedge funds now manage more than $1 trillion, about one-third of the $3 trillion hedge fund industry. While there are indeed brilliant quant managers who have delivered strong returns over a long period of time, the sheer size of the industry means there are likely more pretenders than contenders. Given that many funds employ similar strategies (e.g., trend following), a reversal in trend could create disruptive market movements, not to mention the threat of rogue algorithms wreaking havoc on the market.

A "Vixing" Puzzle

Equity volatility has been unusually low for much of 2017. The Volatility Index (VIX), which measures the implied volatility of S&P 500 Index options and has been viewed as a barometer of equity market volatility, has drifted to all-time lows. Over a span of more than 7,000 sessions going back to the start of 1990, the VIX Index's average and median closing values have come out to 19.4 and 17.6, respectively. It was a rare occurrence for the VIX to collapse below 10 – there were only 9 such occasions out of 6,802 trading sessions prior to 2017, or 0.13% of the times. Year-to-date in 2017, however, there were already 35 sessions with the VIX closing below 10.

Another way to look at the lack of volatility is to tally the number of trading sessions when the S&P 500 Index had a daily change of more than 1% in either direction. There were only 8 such sessions so far in 2017, compared to 48 and 72 such occasions in 2016 and 2015, respectively.

It seems ironic that the market should be this steady with arguably the most mercurial and unconventional president in modern history at the helm atop the free world. Perhaps investors have grown numb to all the chaos and controversies. It is as if Washington's dysfunction and a divided America were just fodder for the hyperventilating media, and markets were behaving as if all will be fine when the Republicans pass the tax reform to prime the pump for the 2018 mid-term elections. Time will tell if this period of eerie calm is prescient or misguided.

Unintended Consequences

The decline in market volatility has made shorting against the VIX futures and various VIX ETPs (exchange-traded products) quite popular and profitable in recent years. The net short position on VIX futures has progressively climbed to new highs over the last couple of years. Another phenomenon was the rise of "volatility control" investment strategies, supposedly favored by many hedge funds and insurance companies. These strategies in essence adjust a portfolio's allocation between equity and cash to maintain a targeted level of volatility at the portfolio level. In an environment of declining volatility, more assets would be allocated to equities – the equity allocation would even exceed 100% when the market's realized volatility is below the targeted volatility. On the other hand, as volatility ticks up, the equity allocation would be scaled back.

While these strategies have enjoyed strong returns during this stretch of progressively lower equity volatility, they may be planting the seeds of a market correction. Market makers and dealers on the other side of the growing short VIX trades would need to employ various S&P 500 option strategies to hedge their long VIX positions. There is the concern that a decline in the S&P 500 Index could trigger adjustments to these hedging positions that would exacerbate the market decline. Similarly, should volatility suddenly spike up, the aforementioned volatility control strategies would be cutting equity exposures concurrently, which could amplify the market decline similar to the downward selling pressure that the so-called portfolio insurance products generated during the crash of 1987. We wonder if any investors and regulators truly appreciate how these strategies, in concert with various rapid fire trades generated by machine-learning based algorithms, could impact market movement and liquidity should there be an exogenous shock. Only time will tell.

Fear vs. Greed

There is an adage that one should be fearful when others are greedy and greedy when others are fearful. Judging by the depressed levels of the VIX Index, the enthusiastic speculation over bitcoin as well as other variants of cryptocurrencies, and surveys that indicated strong investment sentiment, it is clear that greed has been on the rise. Can this euphoria continue for a while longer? Of course. However, in our opinion, the combination of elevated investor complacency and a tightening Fed makes the market vulnerable to a pullback, though the timing of it is hard to predict. The aforementioned issues with various trading strategies could further add fuel to fire in the event of a market decline. That said, with the macro and earnings backdrop remaining positive, we would view potential selloffs as a buying opportunity rather than the start of a protracted market downturn. ●

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BARRON'S PENTA

Rock of Ages

Family-wealth advisor Rockefeller & Co. was hit by both the financial crisis and the death of its CEO. Not only did it survive, it thrived.

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By RICHARD C. MORAIS
September 15, 2012

John D. Rockefeller's family office, Rockefeller & Co., was founded in 1882. It began selling its expertise to other families in 1980, and by mid-2008 it had $28 billion of clients' assets under its hood. Then came a tragic event that could have brought the firm to its knees. In September 2009, as the financial crisis raged, Rockefeller's chief executive, James S. McDonald, shot himself behind a car dealership in Dartmouth, Mass.

While world markets continued their downward spiral, it took a year for the Rockefeller Family Trust, which owns 100% of the multifamily office's voting rights, to get McDonald's successor in place.

It's hard to imagine a more dangerous situation for a financial-services firm to be in. Destabilized from within and without, most wealth managers in such circumstances would have been unable to contain the stampede of clients heading out the door. And yet, Rockefeller's assets under advisement and administration actually rose 52%, to $35 billion, in the three years through this past June. Client retention since the 2008 recession has been 97%, 1% higher than in the entire past decade.

"Despite the turbulence of the period when I stepped in, it was a remarkably strong franchise and business," says Reuben Jeffery III, Rockefeller's CEO for the past two years. "It was a real testament to what had been created by generations long before me, including most of the people who are still here today."

Penta's rare peak inside Rockefeller reveals that, for all the outward signs of serenity, the firm is hardly on autopilot. Jeffery, looking every bit the Wall Street incarnation of Cary Grant, is a former Goldman Sachs partner who in 2007 went to work as George Bush's undersecretary of state for economic, energy, and agricultural affairs, after first serving as the president's post-9/11 special advisor for Lower Manhattan development.

In June 2008, Société Générale Private Banking closed on its purchase of a 37% economic share in Rockefeller & Co. Needing to strengthen its balance sheet during the recent euro crisis, the French bank has been under pressure to shed noncore assets. Therein lay an opportunity. This summer Jeffery quietly midwifed the sale of Société Générale's stake to Lord Jacob Rothschild's RIT Capital Partners. That closed-end fund is the investment vehicle for the London branch of the Rothschild family, and has 1.9 billion pounds ($3 billion) under management. The deal is expected to close at the end of this month. It's a union that should provide some valuable marketing opportunities. In these unsettled times, it's easy to imagine rattled new wealth wanting to tap the joint expertise of these experienced families that have managed to keep their heads down

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Reuben Jeffery III, Rockefeller Financial's CEO *Evan Kafka for Barron's*

and their assets intact over several generations and right through the upheavals of history.

Any new clients will be dealing with Rockefeller Financial Services, the trade name of Rockefeller & Co. Some $7 billion of Rockefeller Financial's $35 billion pile are "assets under management"; the rest are assets under advisement or administration. Rockefeller provides its 298 clients either financial, trust, and tax advice, and the like, or service through its portfolio-tracking product for wealthy families, Rockit Solutions.

Rockefeller offers financial products from other firms but still believes in running its own funds in 10 core areas, such as global equities and fixed income. David Harris, Rockefeller's chief investment officer, says large multinationals with their triple-A ratings and mountains of cash need to be viewed as "the new sovereigns" during a period when government finances are deteriorating. The firm claims that its global funds are stars, but it keeps a lid on details. Prodded by Penta, Rockefeller reluctantly produced a "confidential" performance sheet on its 10 core funds but barred us from publishing the results. We can confirm that out of 10 offerings, seven global-equity and small-cap funds have consistently outperformed indexes over long periods of time.

One area of Rockefeller & Co. know-how has been built out of the Rockefeller family's 50-year record of integrating environmental, social, and governance concerns into its portfolio and investment decisions. Last fall, for example, Rockefeller hooked up with the Ocean Foundation, a nonprofit focused on marine conservation, to find "profitable investment opportunities that restore and support the health and sustainability of the world's oceans."

Through such distinctive offerings, Jeffery hopes to reel in new money, both family and institutional. "We're talking to sovereign entities," he says. "They have pools of capital that need to be deployed, and they need to find competent, trustworthy managers in [relevant] areas of investment activity."

Fees for managed assets invested in house funds typically run from 1% (for up to $25 million in assets) to 0.5% (over $50 million). Rockefeller targets families with $30 million; new clients are generally subject to a minimum $100,000 annual fee. Pure investment advice on a $50 million to $100 million portfolio typically costs 40 to 60 basis points, says the firm's president, Austin V. Shapard. Rockefeller has priced its services, he says, for "a fair profit margin, not a crazy one."

Portfolio-tracking service Rockit deftly handles exotics like intrafamily loans and the fluctuating price of ranch cattle. Its 23 clients typically pay 3 to 7 basis points on the $13 billion that runs through the Rockit platform. This, too, is a hidden asset that Jeffery is leveraging into a boutique powerhouse.

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Sent: 5/7/2019 4:29:00 AM
To: Nicholas Ribis [redacted]

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IN THE CIRCUIT COURT OF THE FIFTEENTH JUDICIAL CIRCUIT, IN AND FOR PALM BEACH COUNTY, FLORIDA

CASE NO.: 502009CA040800XXXXMBAG

JEFFREY EPSTEIN,

Plaintiff,

vs.

SCOTT ROTHSTEIN, individually,
BRADLEY J. EDWARDS, individually,
and L.M., individually,

Defendants.

____________________________________/

NOTICE OF FILING

COMES NOW the Defendant/CounterClaimant, BRADLEY EDWARDS, by and through his undersigned counsel, and hereby files the attached transcript of the telephone interview of Virginia Roberts to supplement the proffer made in support of Counter-Claimant's Motion for Leave to Amend to Assert Punitive Damages.

I HEREBY CERTIFY that a true and correct copy of the foregoing has been furnished by U.S. Mail to all Counsel on the attached list on this 17 day of May 2011.

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Edwards adv. Epstein
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TELECON

PARTICIPANTS: **JACK SCAROLA**
BRAD EDWARDS
VIRGINIA ROBERTS

RE: **Edwards adv. Epstein**
291874

DATE: **April 07, 2011**

JS: Virginia, Jack Scarola and Brad Edwards

BE: Hi Virginia.

V: Hi Jack! Hi Brad! How you guys doing?

JS: We're doing fine, thank you. I'm sorry for all of the trouble and before we go any further, let me tell you, if I have your permission, I have started a tape recorder and I want to be able to tape this conversation from the very beginning. Is that alright with you?

V: Sure, that's fine, Jack. No problem

JS: Ok, good, thank you. I appreciate that. Let me start off by introducing myself. I know that Brad has spoken to you about me but I am Brad's lawyer, and I assume that you can confirm that you and I have never had any communication before. Is that right?

V: That's correct.

JS: Alright. I have, however, gotten some information from Brad about conversations that you have had with him, and that will enable me, hopefully, to make this a little bit more efficient and take up a minimum amount of your time while still getting the information that we think is going to be helpful to us and to any jury that might ultimately have to hear these facts.

So, let me begin by asking you first to tell us what your full name is.

V: Virginia Louise Roberts. That's my maiden name. My married name is Virginia Louise [redacted].*

JS: Could you spell your last name for us? That is your married last name:

V: [redacted].*

JS: Alright, thank you, and where are you living right now?

V: I live in Australia.

JS: And how long have you resided in Australia.

V: This is my 19th year.

JS: That is where you are right now, correct? We've reached you in Australia for this phone conversation?

V: That is correct, yes.

JS: And what time is it in Australia right now?

V: I think it's about 9:00 now.

JS: Ok. That's 9am, correct?

V: That's correct.

JS: Alright. Virginia, the reason for this conversation is because it is our understanding that you know a man by the name Jeffrey Epstein, and I want to begin by asking you please to tell us about the circumstances of your first meeting Mr. Epstein.

V: Ok. I was introduced to Mr. Epstein by Ghislaine Maxwell. I was working at Donald Trump's spa in Mar-a-Lago and I was prompted by Ghislaine to come to Jeffrey's mansion in Palm Beach that afternoon after work to make some extra money and to learn about massage. She met me at the spa, and I was reading a book about anatomy, so I was already interested in massage therapy as it was and not having any of the education or you know anything behind me, I thought this was a great opportunity to work for her and go. So, I went to Jeffrey's mansion about 5 or 6 in the afternoon. My dad drove me there. My dad worked at Mar-a-Lago with me, and he met Ghislaine and she seemed like a nice, proper English lady, and she knows, I mean, you know, one time then _once before I left to travel overseas, she just seemed really nice and like she would like to help me out. So my dad left, and I had no problem getting home that night, one of her drivers would take me back after my trial. So she led me upstairs, and into Jeffrey's bedroom, and past that is Jeffrey's massage room, which has got his steam room and a shower and a massage table, and there is actually an extra room that has, that nobody knows about it, it's kinda like a secret room and it's got a whole bunch of decorative pictures of pornographic literature and sex toys and I can ___?___ what happened in there.

JS: When you say that the room was hidden, Virginia, how was the room concealed?

V: It wasn't like a door that you would normally go into, like some kind of special opening, you open that and then a little door, so it looks like it's a little closet so-to-speak, but when you walk in there, it's obviously a lot bigger than just a closet. It wasn't too big, but it was bigger, you know. It wasn't a gigantic room, it was just like a small room, which you know, it probably could fit some shoes in there, _it had racks of shoes, boxes, some sweatshirts neatly folded, and the ceiling to the floor was covered in pornographic pictures of the girls that he had met.

JS: When you say…

V: So anyways, that was getting there, and I was introduced to Jeffrey, he was laying naked on top of the massage table, and obviously for one, I'm a 15 year old girl and seeing him on the table was weird but, also learning about anatomy and massage, I thought this would be part of it. So obviously, I thought it was part of the massage program, so I said ok, this is fine. And, he then instructed me on how to touch the body, Jeffrey's body, how to massage him, and for the first hour, it was actually a real massage, maybe not an hour, maybe like 40 minutes or something, but of something like that _and that's when he turned over on the other side and to expose himself fully. So then Ghislaine told me that she wanted me to undress and began to take off my shirt and skirt, my white uniform from Mar-A-Lago, she also took off her shirt and got undressed, and so I was there with just my undies on, and she was completely bare, and made some kind of little flake about the underwear that I was wearing because it wasn't my normal sexy girl underwear and just like, I don't know, had red hearts on it or something like that; just your normal, you know, real cute underwear. Anyways, so during all of this I'm kind of like what's going on, how do I act, what do I say, I was so afraid of, not afraid or fearful for my life but _unsure of how all this started and wanting to obtain a profession_ I was so afraid thinking about upsetting and disappointing them, I don't know, it's a weird situation by far and I was expected to _Lick his nipples, instructed on how to do so by J.E_ and give him oral sex while he wanted to fondle me, and then at the end, I was told by Ghislaine to get on top and straddle Jeffrey sexually, and when we were done, we went and had a shower in the room and Jeffrey told me to wash him up and down, you know with a bar of soap and make sure he was all cleaned up. And then he took me downstairs and took me to two of the guards and told John to bring me home. John was the butler at the time.

JS: Let me interrupt you for just a moment there if I could, Virginia. You mentioned as you were recounting those details that you were 15 years old at the time. What is your date of birth?

V: August 9th, 1983

JS: And can you tell us please, as best you're able to estimate it, what the date was when this first encounter occurred?

V: I've got it written down. It's like - I'm not good with math – hold on – I thought I wrote it down but I didn't. I'm not too sure, I think it was 1998 off the top of my head and around June of 1998, I would say as I was turning 16 at the end of the summer.

JS: Alright. You talked about the room where Jeffrey had the pornographic photographs. Did you actually see that room on the occasion of your first visit there?

V: No, I got to see that room a few visits after but I was just trying to describe that room to you guys so you knew exactly what room I was talking about.

JS: Another question for you, and I don't mean to be prying into your personal life, and if I ask you any questions at all that you're uncomfortable answering, then you just tell me that and we'll move on, because I appreciate your cooperation and the last I thing I want to do is impose upon that cooperation, but can you tell us please just generally what kind of sexual experience you had had prior to this confrontation with Jeffrey?

V: Yeah, sure. A close family friend has sexually abused me, and I was on the streets at 13 years old. I was picked up by a 67 year old man named Ron _Eppinger_ who did exactly what Jeffrey did with me abuse and violate my youthfulness _ & I was with him for 6 months. So, he was gone and then I had this boyfriend who was like my school friend from young days but we just kept in contact with each other and we were on and off constantly, and that was Tony Figeroua_, and there was also another younger guy was near my age, Michael, I can't remember his last name, but yeah, there, I mean, there wasn't like a string of men or anything, but there was Ron, like I told you, and he was the first guy expecting me to do so-called disgusting affairs. Jeffrey actually knew Ron, which was quite weird when I told Jeffrey the story about Ron, and Jeffrey had actually met him, and yeah. Anyway, just another story, and yeah, there were a couple of men, but that gives you an idea.

JS: Now when you described the photographs in the room as pornographic, tell me just a little bit about the photographs, if you would please? First, how many of them were there?

V: At least 100, and like I said, they covered the room from the ceiling, not the ceiling but from the top of the edge of the wall to the bottom of the floor. I want to say at least a hundred, even more, there could have been more in the boxes _Some of them were A4_ photographs, like the large size, some of naked women posing, you know, positions, sexy positions. Others were, you know, some girls had bikinis on, and it wasn't so pornographic, but it was all women, and it was all in a sexual nature.

JS: Were there photographs where more than one person appeared?

V: Oh yeah, plenty of them. There were lots of naked photographs, I mean I was just trying to give you a visual range. There was anything from 5x6s to 4x8s to 8x4s. Some of them had frames, some of them were out of frames, but they were all, like I said, they were all women, they were all sexual in nature.

JS: Was it your impression that there were a hundred photos of a hundred different people or were there multiple photos of the same woman or girl?

V: There was definitely a lot of different girls. I mean it wasn't easy to sit there and say, you weren't finding 5 girls out of some photos, no. Were there a hundred different ones? There could have been pictures of some girls, I really couldn't get close necessarily to actually recognize faces or anything like that. But if you, you know, the range of them were all different, majority of them were different, yeah.

JS: Did there ever come a point in time when you became aware that a photograph of you had been added to the collection?

V: Yes, there was. Ghislaine took several nude photographs of me for Jeffrey. So, yeah, there were pictures of me and there were pictures, he wasn't shy, that wasn't the only place in his house that he kept the photos. He liked photos all over his house. If you looked in his den or on his desk or in on the hall table, a giant hall table in his house, there were at least a hundred photos of girls in frames. Not all of them were naked, a lot of the ones that were all around his house were not naked girls posing pornographically, some were pictures of celebrities and politicians he had known_or things like that or had pants on or whatever, but yeah, there was a lot of mixed photographs in the outside ones.

JS: Were there any photographs of girls or young women that you knew or that you subsequently came to know that you saw in the house?

V: Yeah, yeah, there was. There was pictures of Nadia Bjournik__________, pictures Sarah Keller, pictures Emmy, pictures of me, pictures of the regulars, but a lot of the girls, sometimes Jeffrey could have like 7 girls a day, and he would only see those girls once if he got bored. I don't know. These weren't my days. I heard he's gotten a lot sloppier since I left. So, I don't know anyways, but when I knew him, there was just a, it seemed, there was such an influx of girls coming in and out, so did I recognize a lot of them? Maybe, maybe not, but then they were all definitely beautiful, they were all ranging in age, some of them young, some of them older in their 20's, I mean it was just they were all beautiful.

JS: You've told us about the first visit. Was there any discussion on the occasion of that first visit about your returning?

V: Yes, they were very pleased with me and after the encounter was finished, the sexual encounter, he went and told me I did well and I have a lot of potential to become a massage therapist and if I'd like I could return tomorrow, you know, and do the same thing and get paid $200/hr, so Jeffrey insisted that I come after work, and over the next few days, I guess the relationship grew into more, and within a couple of weeks, not even a couple of weeks, maybe a week, I had quit Mar-a-Lago and I was working for Jeffrey full time.

JS: Ok, let's talk about your job at Mar-a-Lago, if we could. You said that your Dad was working there. What was his position at Mar-a-Lago?

V: He was a maintenance supervisor I think is what it was called? He like managed the tennis courts and air conditioners and things like that.

JS: What is your Dad's full name?

V: Sky William Roberts.

JS: And is he still living here in South Florida now?

V: No, he's not, he's in California.

JS: Ok. Is your Dad aware of what is currently going on with regard to your having made public statements about your relationship with Jeffrey?

V: Yes, he is well aware of it. I told my family even before all this stuff came out, because they were the first ones contacted by the journalists from Mail on Sunday. I know that they the Mail on Sunday printed that I had gone out and tried to, I mean I think one of the photos said that I was angry that I saw Jeffrey and the Prince walking together and that is why I came out and went public with everything. Not true. I mean, I am angry about how they are still up to their old ways together and that they're still hanging out but I didn't contact the Mail on Sunday and I didn't bring it out. I figured that everyone was going to bring it out anyway and I better bring it out the right way. He's known everything from the start, and my family is very supportive with everything going on.

JS: I'm kind of going to jump around a little bit and I apologize for that, but since the subject has come up, tell me first of all why you are providing this cooperation to us, and I am certainly very appreciative of it, but I want you to tell us why it is you've chosen to spend time with us on the telephone and provide this information that you're now providing.

V: I'm out to help the bigger picture, you know, I think all of us can make a big difference in a lot of other people's lives and I think that this has gone on long enough and it's a big slap in my face that he can get away with hurting me so bad let alone so many other girls and laugh about it. I guess I talked to you guys out because I want to see the right thing happen, not just to him, but I want people in the world to understand this is not the way of life, you know, it's not acceptable to go out procure young girls and make them think that, this is the way you should be living and that's all. Yeah, I guess my reason for doing it is to help the bigger picture, you know, I'm a big believer in karma and I believe that good things will come back to you, so I guess that's why I'm doing this.

JS: Just for the record, neither Brad, nor I, nor anyone representing that they have anything to do with us has made any promises to you. Is that correct?

V: That is correct. I'll tell you, since this is our first conversation, that nobody has made me feel like I've been bribed or bought or had to say anything. I've told you anything that I know from my own self, not some things somebody told me. If anything, Brad's been extra careful not to tell me anything and let me do all the talking, so it's quite opposite I think.

JS: Alright. Let's get back then to the story of your relationship with Jeffrey, and we've talked about your first encounter with him and how it evolved from that into your full time employment with Jeffrey, but what were you doing at Mar-a-Lago before you quit Mar-a-Lago?

V: I was just a locker room attendant and sometimes I did babysitting for the rich and famous. So, I wasn't anything big. I worked in the spa area. That's why I was studying anatomy, because I was really really interested in becoming a _massage therapist_, and at the locker room, I didn't do much. I mean I was making tea for a living, I would, you know, make sure the toilet paper had a little triangle in it after everybody went to the toilet, or wipe down the water from the basin, you know, it was a very easy peasy job.

JS: Did you get that job through your Dad?

V: Yes, my Dad got me the job.

JS: Ok, and you were only 15 years old at the time, were they aware of how old you were at Mar-a-Lago?

V: Of course, definitely. We had to go through extensive, you know, we even had to get drug tested and id test and so on and so forth. I mean, Mantas (?) is very strict on employment, yeah, everybody knew.

JS: Ok. Was there ever any conversation with Ghislaine about how old you were before you were taken to Jeffrey's mansion?

V: No. She didn't ask me how old I was from the start, but when I did get to Jeffrey's mansion, it was discussed how old I was.

JS: With whom?

V: During the entire hour of what I call the legitimate massage I was giving him, it was cat and mouse games getting information from me to find out who I am, am I a willing participant in these kind of things, and how would I react if they were about to take the next step. But they got information off of me, they got my age, they got my, a little bit of my history so they knew I was, you know, not very stable at home, and they knew that, you know, I was actually interested in making my life better by studying so what they were offering me was a chance to become a legitimate masseuse but it was getting trained. They would have people show me how to work the body and be called a massage therapist and get me books on it, and you know, keep me interested, and every time, you know, I was with Jeffrey, literally was about massages, I don't mean just going in and have sex with him. I mean massage, because it would always start out with massage and then it would lead into sometimes other things.

JS: Alright, once this evolved into full time employment, what did full time employment mean?

V: That was entirely having to travel with Jeffrey in every city. When he was in Palm Beach, I stayed at my apartment, and he would call me to his house once or twice a day sometimes, and that's, you know, do things with him. Sometimes we'd go out shopping, sometimes we'd go out and watch a movie. You know, simple things like that, go to an expo or a fair, whatever it was. But when we were in other cities, I was at my apartment_, I lived with him full time. What I mean by full time is even in the middle of the night, I could get a ring on my phone next to me and tell me to come in his room, you know, so it was literally full time.

JS: When you say that when you were in Palm Beach you were living in your apartment, were you living on your own or were you living with members of your family at that time?

V: No, after I quit Mar-a-Lago, Jeffrey offered to get me an apartment in Palm Beach somewhere, Royal Palm Beach, and it was a nice apartment. He furnished it for me, it was absolutely beautiful, but yeah, that's the only time I would spend time away from him really.

JS: This apartment was on Royal Palm Beach Boulevard or out in the Village of Royal Palm Beach?

V: I so honestly don't remember. I've been trying to rack my brain because the FBI was asking the same thing and were trying to find it, but yeah, I'm Not sur_. I didn't get to spend as much time in it, I was only there about an entire week out of every month probably, but the majority of the time I was with Jeffrey anyways. It was somewhere in Royal Palm Beach. I don't know about Royal Palm Beach drive. I don't even remember the Royal Palm Beach drive anymore so I'm not too sure.

JS: Ok, let me see if I can draw the distinction for you and maybe that will help you to help us? Royal Palm Beach is a village that is…

V: No, no, no, I got Royal Palm Beach, I just didn't know the Royal Palm Beach Drive, like what street it's off of. Were you talking about a street?

JS: Yes, I was talking about a street. Royal Palm Drive is on the island of Palm Beach, and it's a street that is lined with large royal palm trees, and I'm wondering if this was an apartment on the island or was this an apartment out west of town…

V: No, it was actually in Royal Palm Beach, not on the island.

JS: Alright.

V: I would be driven, it was closer to my family than it was closer to him. I wanted to be close enough to everybody else so that when I was in town, I could just go see them quickly.

JS: Ok. So we're not talking about Royal Palm Boulevard. We're talking about the town of Royal Palm west of town. Jeffrey got you an apartment out there.

V: That's correct.

JS: When he was in Palm Beach, you were generally not staying at the mansion, you were staying at the apartment that he got for you out west of town.

V: That's correct.

JS: Ok.

V: I mean then there was times, I don't wanna say that every time I stayed at my apartment. There was times we'd fly back from some city maybe too late at night to really want to go back home, so you know, it's like 12:00 at night or 1:00 in the morning. I was just staying in the yellow room, or something like that; one of the guest rooms in Palm Beach. But majority of the time, I would definitely want to get back to my own apartment.

JS: Alright. What were the general hours of your full time employment when …?

V: There was not set hours. It wasn't like logging, and you know, hitting the shift button, nothing like that. The way I would get paid would be, ok, if I was in Palm Beach, I would get $200 an hour to massage Jeffrey or some of his friends and then go home. So it would be like that. If I was traveling with him, it would be per massage, so I would be getting paid per day. So I wouldn't be getting paid on an hourly rate. He wouldn't say ok, today you're going to work for me from 7:00 in the morning until 8:00 at night. It never like that. I was on call all the time.

JS: When you were here in Palm Beach, were you actually getting paid only for the time spent massaging Jeffrey or were you getting paid from your arrival at his house until you left the house?

V: From the time the massage started.

JS: From the time the massage started. Ok.

V: Sometimes we'd go there and I would wait for a while or talk with Ghislaine and Jeffrey about something or we'd meet somewhere and talk about something. A lot of times, I'd meet him upstairs in his room where he was ready for me. But then there was a lot of times where it didn't start right away, so he couldn't really pay me from the time I got there sometimes unless it was just paid from the time I massaged him til the time the massage was over.

JS: Alright. Did your duties for Jeffrey ever include anything other than providing him massages and sex in connection with the massages? Did he ever give you any other responsibilities to perform?

V: I was asked to do the same things that I did to Jeffrey to a few of his fellow colleagues as well. Those were my duties. He looked at it this way is that I was going to be a professional massage therapist, and maybe I needed some clientele, so he had me perform erotic massages on a few people.

JS: Did that start here in Palm Beach County?

V: It did. The first one did.

JS: Ok, and how long after you first met Jeffrey did he first ask you to provide services for one of his friends?

V: About 9 months, I think it was. It wasn't a full year, it wasn't 6 months, but between 6 months and a year, which is why I'm saying 9 months.

JS: And when you provided services to a friend of Jeffrey's, who paid you for those services?

V: Jeffrey would. I would get paid the next time I saw Jeffrey, so if I was invited to the Breakers Hotel to give a massage, I would give a massage, I would go home, and the next day when I saw Jeffrey, he would pay me for what I did. So, it was paid always by him, it was set up by him, so he always knew what to pay me. I did get tips and things like that, if you call it that, you know, like a hundred dollar tip or something from a few of them, you know, yeah.

JS: Was there ..

V: There was always payment from Jeffrey.

JS: Was there ever any discussion with Jeffrey about what was expected to happen when you provided massage services to one of Jeffrey's friends?

V: In a roundabout way, yes. In so many ways, Jeffrey really really had to train me, and that was why Ghislaine said that she and Jeffrey enjoyed me so much was because they never really had to speak much to me to tell me what they wanted me to do. You know, I wasn't waiting for you know, their directions. Jeffrey would tell me to go give an erotic massage to friends. He wouldn't give me much detail about it, but he would say to treat them like you treat me.

JS: Did he refer to it as an erotic massage or are those your words?

V: Erotic massage is my words. That's exactly what it was, but he would tell me to treat them how he wanted it, so I'd do what he wanted without having to say to me words more. I mean, I complied with what he wanted because it was somewhat of a, I don't know, I don't know how to say it, it was just very mindboggling how I let him have so much control or power over me basically. The massages would be routine to what Jeffrey wanted with my so called new clientele, and with their own words would ask me to provide them with sexual pleasure after the massage.

JS: Did you ever report back to Jeffrey about what happened when you provided massages to his friends?

V: Of course, of course, and I knew that his friends were reporting back to him as well because there were times where he would instigate conversation by saying you know, so and so had a great time, you did wonderful, you know so and so gave me a call and told J.E how it went_...

JS: Did Jeffrey ever elicit details from you? "Tell me what happened, describe in detail what went on?"

V: No, but he would have a laugh, he had a laugh with me a few times about some of their different mannerisms, I guess you would say, like some of them, one guy had a foot fetish and that was really weird and I mentioned it to Jeffrey, and we would have a laugh over it. He didn't want to know details. He wasn't asking me "so tell me what did you guys do exactly." No, he just basically gave me a slap on the back and said, you know, good job. And we had some kind of conversation about it. I can't recall any conversation off the top of my head. I really don't know one. It's been that long. But yeah, we did talk about it briefly.

JS: Can you give me an estimate as to the number of friends for whom Jeffrey provided and paid for your services?

V: There was about, you know, I don't know, 8 guys possibly.

JS: And are you able to name those people for me?

V: No, not at this stage. I just, some of these people are really influential in power, and I don't want to start another shitstorm with a few of them. I'll tell you that there was some erotic massages given to, I'm just afraid to say it to you.

JS: Ok, Virginia.

V: It's like geez, I don't know if I want to, I'm really scared of where this is gonna go.

JS: Alright. I understand that, and as I told you from the beginning, if I ask you a question that you are uncomfortable answering, you just tell me that, and I will move on, and I understand that at least right now, you are uncomfortable answering, and I am certainly going to respect that.

V: Thank you so much, Jack.

JS: No, that's quite alright. I am very appreciate of the cooperation you are providing, and I don't want you at any time to feel that we are taking unfair advantage of that cooperation, so give me the information that you're comfortable giving me, and if we get to a point where you're uncomfortable, I will respect that and we'll move on from there.

V: Ok.

JS: I want to talk a little bit about the traveling that you did with Jeffrey. About how long into your relationship with him did that first start?

V: Immediately. I started traveling immediately. Not internationally until I think about, Gosh, I can't remember even, I think it was a year later that we started doing international travel. Maybe like 9 months to a year again. Not too sure to be honest.

JS: So that would have been approximately the summer of 1999? Somewhere around there?

V: Yes. Somewhere around there. Somewhere around a year, somewhere around there, I can't pinpoint it exactly. But like I said, we started doing domestic traveling immediately, so my first destination with him was New York and Santa Fe and the Carribean, California, I would take trips with him occasionally. Sometimes we would go to St. Louis or New Orleans or Santa Cruz. We were traveling just about everywhere I think.

JS: How did you travel?

V: Well, we took Jeffrey's private jet, and unless I was being sent somewhere by myself for what we were just talking about before, then I would travel on a what do you call, a public jet, whatever it is…

JS: commercial flight?

V: Yes. Just a normal flight, an e-ticket.

JS: Like the rest of us common folk.

V: But when I was traveling with Jeffrey, the majority of the time would be on the black jet.

JS: Now, when you say there would be times when you would travel by yourself because he was sending you somewhere, tell me about that. How did that come about?

V: So, one of his colleagues would be at the Carribean or Santa Fe or even New York, or wherever, and he would call me up on those days where I am not working with him or in Palm Beach with him, and he would ask me to get on the next plane to so and so and go meet so and so, and that's when I would take e-tickets. His secretary or special assistant, whatever, would organize it for me and give me the details and I would just walk up the line and they'd let me right through.

JS: Can you give me any ideas as to how many times it happened that Jeffrey would send you off to meet some friend of his at some location outside of Palm Beach?

V: How many times it happened? I'm not too sure. Probably about 10-15 times.

JS: Ok. And on those occasions, how much time would you spend with one of Jeffrey's friends when you were sent to a location that you would have to travel to?

V: Only a couple of days. Only 2 days, that's it.

JS: And how were you paid for those trips?

V: I would be paid in cash upon my arrival back with Jeffrey. So, whenever I was back with Jeffrey, he would count up how many days I've had, sometimes give me even more than what I deserved, not deserved, but what I earned and give me a little extra.

JS: Was there a daily rate for those trips or was that per massage also?

V: Per massage. With Jeffrey, I would be honest. I wouldn't tell him I did 15 massages if I didn't. He knew he could trust me. He could always come back to the other person that he sent me to give massages and ask them as well, so you know, it was always by per massage.

JS: Alright. When we've been talking about massages, tell me exactly what it is we're talking about when we speak about massages.

V: Same thing I would do to Jeffrey. Again, it would start out as a massage, which would start with them being naked, and me giving him a legitimate massage to begin with, so

I'd start with his feet, go up to his calves, up his legs, buttocks, back, his neck, his head, his arms, yada yada, and then it would be time to flip over, and some of the men would want me to continue on massaging the front side of them and they would instigate me to begin having sex with them or foreplay, whatever you want to call it.

JS: So routinely, these massages involved sexual activity. Is that accurate?

V: That is accurate.

JS: Ok. Let's talk about the travel that you were involved in when you were on Jeffrey's private plane. Generally speaking, who were the passengers on the plane when you traveled.

V: Well, Larry was the pilot, and then there was a short, small solid guy, I don't know his name, but he was a co-pilot, and then he changed and there was another guy brought in later on. Generally speaking, there was always Jeffrey, sometimes Ghislaine, sometimes Emmy, sometimes a whole bunch of other girls, sometimes famous people, sometimes some politicians or yeah, just about anybody could fly on his plane. There was never no any set routine who would come and who would go. It was an influx of people on Jeffrey's airplane.

JS: I want to deal with these things separately in order to respect some of the reservations that you have, so I'm going to ask you who the people were that you remember flying with Jeffrey on his plane when you were personally present without regard to whether there was any sexual activity that occurred on the plane or not. So I'm not asking you to implicate any of these famous people in improper conduct, but just tell me what the names of the people are that you remember that you consider to be famous people.

V: Ok, there was Naomi Campbell, Heidi Klum, there was Bill Clinton. There was Al (?) Gore, there was a whole bunch of models, I wouldn't really honestly be able to give their names. There was Matt Groning the producer of the simpons cartoon, Jack CCousteau's granddaughter a lot of interior designers, architects, politicians. I am just trying to think of as many names as possible for you. Off the top of my head, that's as good as I can get for now.

JS: Ok, alright, that's fine. And again, I am not implying by my questions, nor do I want your answers to be interpreted as your suggesting that any of those people that you have just identified were engaged in any improper activities on any particular flight, but I want to talk to you now about what went on on occasion on the airplane. Ok?

V: Ok. It was a lot of the same thing that went down on the ground. A lot of times, it would be just be me and Jeffrey, or me and Jeffrey and Ghislaine, or me and Jeffrey and some other girl, sometimes Emmy, Sarah, and Nadia Bjournik. There would be sexual conduct, there would be foreplay, there was a bed in there, so we could basically reenact exactly what was happening in the house. It would start off with massaging or we would start off with foreplay, sometimes it would lead to, you know, orgies.

JS: Were there occasions when you were in Jeffrey's company, whether on the ground or in the air, where there were other girls present whom you knew to be under age 18?

V: Yes. There was a constant influx of girls coming in and going out. And we were all very young. On occasion, there was some older girls, and I don't mean older as in like in their 30s or anything, I mean like 28, 29, something like that, just very rarely. The majority of the girls that Jeffrey actually met or had on his plane or in his house were under age.

JS: Do you know how it is that Jeffrey established with any of these underage girls?

V: Yes, I do. He would send me personally or with other girls to clubs or shops, to _pick up anywhere, I mean we were constantly on the look for other girls that might satisfy Jeffrey.

JS: What instructions were you given about what to look for?

V: Young, pretty, you know, a fun personality. They couldn't be black. If they were any other descent other than white, they had to be exotically beautiful. That was just about it.

JS: Who gave you those criteria?

V: They both gave us the instructions, and it wasn't just me, Jeffrey asked most girls to bring a friend and make extra money. They would use us young girls So that way it probably looked a lot more safer to a girl that we were procuring to younger girls that were already doing it. That was the way that Jeffrey had it.

JS: Were you given any instruction at all on how to approach these girls?

V: Yes. Jeffrey and Ghislaine both taught me to, depending on the circumstances, depending on the girl, you could offer them a job as a massage therapist or you could tell them you have a really rich friend with, you know, great contacts in the acting world or modeling world and he loves pretty girls, you should come back and meet him, make some money, you know, we had a whole bunch of ways to be able to procure girls.

JS: Can you give me any idea as to the total number of underage girls that you know engaged in sexual conduct with Jeffrey during the period of time you had your relationship with him?

V: I would have no way of estimating that whatsoever. I mean, there could be a hundred, there could be more, honestly I'm not too sure how many girls, really. I wish I did know. I mean like I said there were so many over the course of 4 years with Jeffrey.

JS: Let me see if we can try to narrow it down a little bit. Is there any doubt in your mind that it was more than 10?

V: Yes, there was definitely more than 10.

JS: Ok, what I want you to do is to give me the highest number that you are comfortable in saying there were definitely more than X number of underage girls that I know Jeffrey Epstein engaged in sex with while I had a relationship with him. How would you fill in that blank? Definitely more than how many?

V: I'd say definitely more than a hundred.

JS: Alright. Did Jeffrey ever help to pick out your clothes?

V: Oh yes. I mean he wasn't out to dress me like a porn star or anything. He would always dress me very classy, but we'd just go shopping all the time together.

JS: Did he ever express any style preferences in terms of how he wanted you to dress? Besides dressing classy, I'm, you know, any other suggestion to you about how he wanted you dressed?

V: He didn't, like I said, wasn't trying to dress me in any prostitute way or anything like that. It was nice, classy outfits I was wearing like Gucci, Dolce Gabbana, Chanel, things like that. He was buying me a lot of very, very nice clothing. It was provocative. I mean I was wearing miniskirts, and tight short shorts and little shirts that showed my belly and my cleavage and everything, but they were very expensive clothes.

JS: Was there every any dress up role playing?

V: Yes. There was. Lots of it. Jeffrey loved the latex outfits Ghislane had for us girls, he had bondage outfits, he had all different kinds of outfits, but his favorite was the schoolgirl.

JS: Tell me about that.

V: Well, you know, Ghislaine would take me to dress me up to surprise J.E or Jeffrey would ask me to get dressed up, that would include wearing a tiny little skirt with nothing underneath, a white collared shirt that you would be wearing to school with a tie in it, tied up _in a bow_, my hair in pigtails, stockings on up to my knees, and I would go in there and act like a kid and we'd do role playing sexing.

JS: Did Jeffrey ever brag to you about the age of any of the girls with whom he had relationships?

V: Yes, he did. He did all the time. The worst one that I heard from his own mouth was this pretty 12 year old girls he had flown in for his birthday. It was a surprise birthday gift from one of his friends and they were from France. I did see them, I did meet them. Jeffrey bragged afterwards after he met them that they were 12 year olds and flown over from France because they're really poor over there, and their parents needed the money or whatever the case is and they were absolutely free to stay and flew out. Those were the worst ones. He was constantly bragging about girls' ages or where he got them from or their past and how terrible their past was and good he is making it for them.

JS: Where were the 12 year old girls flown to from France? Where did they come to?

V: Palm Beach.

JS: And were they flown in on Jeff's private plane or did they get transported?

V: No. They were transported by somebody else.

JS: Ok. Was the sexual activity that went on on the airplane conducted in such a way so that any of the crew was aware of what was going on?

V: They were told to knock if they had to come out, if the crew had to come out. They were told, you know, to come out as little as possible, so they weren't out there hanging out watching everything, no, but it doesn't take an idiot to put two and two together to say well there's a whole bunch of half dressed teenagers on board with this old man who is constantly being massaged by them and he wants me to keep the door shut for what reason? I mean, only they could put that together, but yeah, they knew.

JS: Did Mr. Epstein ever talk to you about people of power and influence owing him favors?

V: He would laugh about it, you know, I never really knew what to take serious from Jeffrey because he was such a funny character at times. You never knew if what he was saying was true or not. Yeah, lots of people owed him favors from what he told me. He's got everybody in his pocket, and he would laugh about he helps people for the sole purpose in the end they owe him something. That's why I believe he does so many favors in the first place.

JS: When and how did you first become aware that Mr. Epstein was in trouble with the law?

V: I was first informed by, I think someone from the FBI called me first and started to ask me questions, and I started to answer the questions but then fear took over, and I just said look, I don't know what's going on, I've got a young family that I don't want to risk, you know, please don't bother me about this again, and it was real short simple conversation, and within a week or 2, I had gotten a call from Jeffrey's attorney, and then a week later, Jeffrey himself.

JS: Ok, well let's back up before we get to those conversations and tell me approximately when it was that you were contacted by the person who you believe was with the FBI.

V: Ok. It's hard for me to pinpoint, if I had to pinpoint it, it would be in 2007 sometime.

JS: Alright. And you were living in Australia at that time, correct?

V: Correct.

JS: You were contacted by telephone?

V: That's correct, by my cell phone.

JS: Ok and do you have any idea how your name came up leading to that contact.

V: No idea. No idea whatsoever. When I did ask, I was told that some girls had revealed my name, I guess, and that's how everybody, the FBI knew to contact me.

JS: OK.

V: But I don't know offhand or sorry, I just walked into the wrong room.

JS: Ok.

V: Sorry go on.

JS: Yes & I'll never tell her you said that. Virginia, how long was it after that phone call from the FBI person were you contacted by Mr. Epstein's lawyers.

V: Like a week. It was back to back to each other. I remember being so scared after talking to the FBI thinking what's happening, what's going on. It's been like 6 years, 7 years at that stage, how did they find me & what do I have to do with this? So yeah, I do remember that very well, and it was only about a week later I was called by his attorney.

JS: Who was it that contacted you, do you remember?

V: I want to say Bill Riley, but he might have been from the FBI. No, it was Bill Riley. Bill Riley. Not sure if that's his correct name, but that's what is coming to mind

JS: What do you remember about that conversation?

V: I remember a Mr. Goldberger as well, I remember, there might have been two of them.

JS: Alright.

V: I can't remember which one it was. I want to say Bill Riley is the good one.

JS: Alright, so either Bill Riley or a Mr. Goldberger or both of them contacted you, and what do you remember about that?

V: I don't know if it was the same guy who contacted me that week later who put me in touch with Jeffrey. I think he was on the phone and he put speakerphone on with Jeffrey. So he connected me with Jeffrey. I don't know if it was the same guy or different, but I definitely know that Bill Riley was the first guy to contact me. I'm pretty sure about that.

JS: Ok. Tell me about that conversation.

V: He asked me what I knew about what's going on with Jeffrey and apparently, there was an investigation being held about some of the girls who had come out and said that Jeffrey had sexual contact with them under the age of a minor and that he was discrediting lot of these girls and making them out to be drug addicts and prostitutes and what have you so they wouldn't be looked upon as worthy in the court's eyes so to speak. And you know, he told me in the first five minutes that, you know, if I stay quiet, that "I'll be looked after" . And that was the exact way it was said. It wasn't like you know, I'm gonna pay you a zillion dollars or anything if you be quiet, but if I stay quiet, I would "looked after". And I remember saying I don't want any part to do with this. You know, this is not something I want to be a part of, I've got a young family. I wish the best for everybody in this, you know, take care kind of thing. A week later, I was called after the hearing by one of Jeffrey's lawyers. I can't tell you exactly which one it was but he had Jeffrey on the other line and he connected Jeffrey and I, and Jeffrey tried to make some simple conversation, "How are you? How have things been?" You know what I mean, catching up.

JS: Do you know if the lawyer, did the lawyer stay on the line while Jeffrey was speaking to you?

V: I'm pretty sure he did. That's why I think Jeffrey was on speaker phone because it sounded a lot different, and I was never taken off the line to begin with or connected to another line, so I was pretty sure Jeffrey was on speaker phone and the lawyer was making the call. After the simple conversation, it led to what was going on again and you know, Jeffrey couldn't believe it. You know, he thought he helped all these girls out. He didn't think he was wrong in any circumstance here at all. A lot of these girls were drug addicts and just after drug money. You know, he was really putting down these women or these girls I should say, not giving them the credit they deserved, and then he exactly repeated what the lawyer said the week before is that he would look after me if I stayed quiet, and if I need any help, you know, his lawyers would represent me and he would get legal help for me, whatever I need, he would do, and I told him exactly, I said, "Jeffrey, I'm the mother of two children at that stage. I'm away from everything there, I don't want to be a part of it. I'm not going to speak to anybody and I don't want to speak to anybody, I don't want to be involved." That was the last time I heard from him. And the next thing I knew, I was sent my victim's letter, my notification of being a victim through the US Attorney's Office and that's when I knew it was well out there enough not to have Jeffrey's lawyers come back on me and discredit me in the same way he had done to all the other girls. So, I called up Joseph Bird who was the recommended lawyers on my paperwork that they had given me and started going from there.

JS: So you contact Mr. Joseph Bergs' office and then you were dealing with his office from that point forward.

V: That's correct.

JS: Tell me about the ending of your relationship with Jeffrey. That is, at what point in time did your full time employment end and how did that happen?

V: Ok. So, it hadn't really ended. I walked away from it all. Jeffrey sent me to Thailand where I met my husband and escaped to Australia, never to return back to the states. About 6 months prior to that, he came up with a proposition that I thought was really disgustingly sick. And it really showed me for the first time in 4 years I had been with him that nothing was going to change and I was always just going to be used by him(?) which I did not like. He offered me a mansion and some of his money every month, I forget what he called it, a monthly income of what he made to bear one of his children. The proposition was that if anything ever happened between Jeffrey and I, that I would have to sign my child over to him basically and that the child would be his and Ghislaine's, and I would be looking after it as long as nothing happened between Jeffrey and I. So, I was kind of freaked out by all of that. I pushed Jeffrey more to please get me some more training, you know, and I was getting older and not of as much interest to Jeffrey anyways. I was 19 now, and he likes a female a lot younger. So he sent me to Thailand, in September 2002_. I was first supposed to meet a girl there and bring her back with me, but I never met up with her. I proceeded get a short course in Thai massage so that was to shut me up about my training so I went there, and one of my friends from school invited me to watch a fight, like a muay thai fight, which is like a form kickboxing. So I went and watched it, and I saw this guy that was a really good fighter, and a girl's word, looked really hot, so I asked my friend who knew him to introduce me. We got introduced and fell in love immediately, 3 days later Rob proposed and 7 days later I was being married in a buddist temple. I called Jeffrey and told him I'm sorry, I'm never coming back. I've gotten married, I've fallen in love. I thought he'd wish the best for me but he was kind of rude and he just said "have a good life" and hung up the phone, and that was the last time I'd talked to him ever until all this started again.

JS: Ok. Virginia, is there anything else that you would like to add to what you have told us up to this point in time?

V: I'd like to know that this time around something's going to be done about it and that Jeffrey and a lot of his colleagues, no matter how rich they are, will know that there is law and that there is people that still believe in it. So that's it. Thank you guys for listening to me, hearing me out and helping me. It's kind of hard to get through.

JS: Thank you very much. Yes, I'm sure it has been very difficult and I am very appreciative of the courage you have shown in doing what you have done, which really brings me to the last subject, and that is what was it that motivated you to go public with all of this?

V: Sharon Richard contacted me. I like her, I do, I like her a lot. I know she's a journalist, and journalists are normally bloodsucking leeches, but I like her for that, but she is an honest bloodsucking leech. She told me a lot about what was still going on, and she showed me a picture of Jeffrey with a little girl who looks like she could have been 12 years old. I mean it was disgusting. I agreed to talk with her, I never agreed to do anything until she showed me some pictures, and at that stage, being a mother of 3 children and having a daughter who I would do anything for to protect, I would put my neck on the line to make sure she never has to go through what I had to go through, and knowing all of this, and knowing that he's still out there doing the same exact thing with no regrets, no remorse, no worry about what he's doing to those girls, and all those girls feeling the same way that I did, so I, you know, I'm doing it because I believe in my heart of hearts it's the right thing to do. It's what I would want somebody to do for my daughter or my sister or my friend, and it saddens me to know that it's still going on right now. It's like the seashell story. I don't know if you're heard the story about the little kid who throws back a starfish, you know, the little brother tries to ask his sister, "why do you throw them in, they're all gonna die anyways, the little girl says "well, it's this one that I can help, and this one that I can help," and that's what I feel like I'm doing. I'm making a small dent in this big world we live in.

JS: I certainly appreciate that courage, and I have heard that story, and you're absolutely right, that one person may not be able to make a difference for everyone, but one person can make a difference for someone, and hopefully, you are making a difference for someone, and we're gonna do the best we can to make sure you are making a difference for as many people as possible.

V: Thanks Jack.

JS: Just a few other follow up things I want to ask you and again, if any of these questions are questions that you're uncomfortable in responding to, then don't hesitate to tell me that. Do you have any recollection of Jeffrey Epstein's specifically telling you that "Bill Clinton owes me favors"?

V: Yes. I do. It was a laugh though. He would laugh it off. You know, I remember asking Jeffrey what's Bill Clinton doing here kind of thing, and he laughed it off and said well he owes me a favor. He never told me what favors they were. I never knew. I didn't know if he was serious. It was just a joke.

JS: Where was here?

V: He told me a long time ago that everyone owes him favors. They're all in each other's pockets.

JS: When you say you asked him why is Bill Clinton here, where was here?

V: On the island.

JS: When you were present with Jeffrey Epstein and Bill Clinton on the island, who else was there?

V: Ghislaine, Emmy, and there was 2 young girls that I could identify. I never really knew them well anyways. It was just 2 girls from New York.

JS: And were all of you staying at Jeffrey's house on the island including Bill Clinton?

V: That's correct. He had about 4 or 5 different villas on his island separate from the main house, and we all stayed in the villas.

JS: Were sexual orgies a regular occurrence on the island at Jeffrey's house?

V: Yes.

JS: If we were to take sworn testimony from the people I am going to name, and if those people were to tell the truth about what they knew, do you believe that any of the following people would have relevant information about Jeffrey's taking advantage of underage girls? So I'll just name a name, and you tell me yes if they told the truth, I think they'd have relevant information or no, I don't think they would, or I don't know whether they would or not. Ok? You understand?

V: Yes.

JS: Ok. Les Wexner.

V: I think he has relevant information, but I don't think he'll tell you the truth.

JS: Ok. Alan Dershowitz.

V: Yes.

JS: David Copperfield.

V: Don't know.

JS: Tommy Matola.

V: Don't know.

JS: Prince Andrew.

V: Yes, he would know a lot of the truth. Again, I don't know how much he would be able to help you with, but seeing he's in a lot of trouble himself these days, I think he might, so I think he may be valuable. I'm not too sure of him.

JS: Ok. Virginia, I think that's all I have for you. Let me tell you what I would like to do. As I told you in the beginning of this conversation, we've been recording it, and hopefully, we've got a clear enough recording so that we've taken down everything accurately and when it's transcribed, it will be clear and accurate, but what I would like to do is transcribe it, send it to you, have you take a look at it, and if there's anything that we got wrong in the statement, you can write back and you can make changes in the transcript so that the transcript is accurate. Is that fair?

V: No worries. That is fair. No problem.

JS: Alright, great. I really do appreciate that and tell me what the best way is to send the transcript to you.

V: Email. If you just want to send it by email or if you want to send it by mail, either or.

JS: Ok. Give me your email address if you would please.

V: [redacted]*

JS: Let me read that back to you: [redacted]*

V: Yep that's it.

BE: Thank you Jenna, appreciate it.

V: No problem, Brad.

JS: Thank you very very much. Bye Bye now.

V: Take care Jack. Nice meeting you.

JS: You too.

*Redaction has been made at the request of the witness.

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June 19, 2008

John Roth, Esq.
Principal Associate Deputy Attorney General
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950 Pennsylvania Avenue, N.W., Room 4115
Washington, D.C. 20530

Dear Mr. Roth:

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See Tab 21, September 24, 2007 Non Prosecution Agreement. It also guarantees that persons identified in the Grand Jury subpoena such as [redacted] and Leslie Groff and others will not be prosecuted. The new Grand Jury subpoena clearly violates the Non-Prosecution Agreement. Although Mr. Epstein has exercised his rights to appeal to the Department of Justice with the full consent and knowledge of the USAO, he has not breached the Agreement. The re-commencing of the Grand Jury is in violation of the Agreement.

But further, the new investigation, which features a wide-ranging, fishing-expedition type to search in New York does nothing to satisfy the very essential elements of federal statutes that are lacking despite the intensity of an over two-year investigation in the Palm Beach area. Absent evidence of Internet luring, inducements while using the phone, travel for the purpose, fraud or coercion, the subject of the New York investigation is as lacking in the essential basis for converting a state case into a federal case as is the remainder of the Florida investigation.

The reaching out to New York to fill the void emanating from the failures of the Florida investigation compellingly demonstrates the misuse of federal resources in an overzealous, over-personalized, selective and extraordinary attempt to expand federal law to where it is has never gone. This last-ditch attempt by Ms. Villafana reinforces our belief that the USAO does not have facts that, without distortion, would justify a prosecution of Mr. Epstein.

In view of the prosecution's often-verbalized desire to punish Mr. Epstein, we believe that the prosecution summary suffers from critical inaccuracies and aggregates the expected testimony of witnesses so as to reach a conclusion of guilt. Our contention is reinforced by the fact that key prosecution witnesses have provided evidence and testimony that directly undermines the prosecution's misleading and inaccurate summary of its case. Indeed, we now have received statements from three of the principal accusers—[redacted] (through a state criminal deposition), [redacted] (through a federal FBI-USAO sworn and transcribed interview), and [redacted] (through a defense—generated sworn transcribed interview). Each of these witnesses categorically denies each essential element that the prosecution will have to prove in order to convert this quintessential state-law case into a federal matter.

It thus is especially troubling that the USAO has not provided us with the transcript of Ms. [redacted]'s federal interview, nor the substance of the interviews with Ms. [redacted] or Ms. [redacted], nor any information generated by interviews with any of the approximately 40 alleged witnesses that the prosecution claims it has identified. Because the information provided by these women goes directly to the question of Mr. Epstein's guilt or innocence, it is classic *Brady* information. We understand that the U.S. Attorney might not want to disclose impeachment information about their witnesses prior to a charge or during plea negotiations. But we firmly believe that when the Government possesses information that goes directly to a target's factual guilt or innocence, the target should be informed about such heartland exculpatory evidence.

Most importantly, aside from whether the Department believes *Brady* obligates disclosure to a target of a federal investigation prior to the target's formal accusation, no such limit should apply to a Department review. Accordingly, we request that you go beneath the face of any summary provided to you by the USAO and instead review the actual witness transcripts and FBI 302s, which are essential for you to be able to make a truly independent assessment of the strength and wisdom of any federal prosecution.

After careful consideration of the record, and as much as it pains me to say this, I simply do not believe federal prosecutors would have been involved at all in this matter if not for Mr. Epstein's personal wealth and publicly-reported ties to former President Bill Clinton. A simple Internet search on Mr. Epstein reveals myriad articles and news stories about the former President's personal relationship with Mr. Epstein, including multi-page stories in *New York Magazine* and *Vanity Fair*. Mr. Epstein, in fact, only came to the public's attention a few years ago when he and the former President traveled for a week to Africa (using Mr. Epstein's airplane)—a trip that received a great deal of press coverage. I cannot imagine that the USAO ever would have contemplated a prosecution in this case if Mr. Epstein lacked this type of notoriety.

That belief has been reinforced by the significant prosecutorial impropriety and misconduct throughout the course of this matter. While we describe the majority of these irregularities in another submission, two instances are particularly troubling. First, the USAO authorized the public disclosure of specific details of the open investigation to the *New York Times*—including descriptions of the prosecution's theory of the case and specific terms of a plea negotiation between the parties. Second, AUSA Villafana attempted to enrich friends and close acquaintances by bringing them business in connection with this matter. Specifically, she attempted to appoint a close personal friend of her live-in boyfriend to serve as an attorney-representative for the women involved in this case.

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Finally, as you know, Mr. Epstein and the USAO entered into an agreement that deferred prosecution to the State. In this regard, I simply note that the manner in which this agreement was negotiated contrasts sharply with Mr. Sloman's current representation that *"[T]he SDFL indicated a willingness to defer to the State the length of incarceration . . . "* *See* Tab 1, May 19, 2008 Letter from J. Sloman, p. 2. This statement is simply not true. Contrary to Mr. Sloman's assertion, federal prosecutors refused to accept what the State believed to be appropriate as to Mr. Epstein's sentence and instead, insisted that Mr. Epstein be required serve a two-year term of imprisonment (which they later decreased to 18 months plus one year of house arrest). Federal prosecutors have not only involved themselves in what is quintessentially a state matter, but their actions have caused a critical appearance of impropriety that raises doubt as to their motivation for investigating and prosecuting Mr. Epstein in the first place.

At bottom, we appreciate your willingness to review this matter with a fresh—and independent—set of eyes. To facilitate your review, I once again request the opportunity to make an oral presentation to supplement our written submissions, and we will promptly respond to any inquiries you may have.

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cc: Deputy Attorney General Mark Filip

CONFIDENTIAL SUBMISSION TO THE OFFICE OF THE DEPUTY ATTORNEY GENERAL RE J. EPSTEIN

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June 19, 2008

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MAIN SUBMISSION

KIRKLAND & ELLIS LLP

SUBMISSION TO THE OFFICE OF THE DEPUTY ATTORNEY GENERAL

IN THE MATTER OF JEFFREY E. EPSTEIN

Jeffrey Epstein, a successful businessman and noted philanthropist with no prior criminal record, has been investigated for potential violations of 18 U.S.C. §§ 1591, 2422(b) and 2423(b). Since the limited review conducted by CEOS, two Supreme Court decisions—one authored by Justice Scalia and the other by Justice Thomas—have revitalized the bedrock principles that federal criminal statutes must be narrowly construed, that they may not be stretched to federalize conduct not clearly covered by their prohibitions, and that whenever there are two plausible constructions of a criminal statute, the narrower construction (hich safeguards liberty) rather than the broader construction (which expands the federal prosecutor's arsenal) controls under the venerable rule of lenity.

Mr. Epstein's conduct—including his misconduct—falls within the heartland of historic state police and prosecutorial powers. Absent a significant federal nexus, matters involving prostitution have always been treated as state-law crimes even when they involve minors. Mr. Epstein's conduct lacks ***any*** of the hallmarks that would convert this quintessential state crime into a federal one under any of the statutes prosecutors are considering.

Mr. Epstein lived in Palm Beach, and his interstate travel was merely to go home. Any sexual conduct that occurred after he arrived was incidental to the purposes for his travel. Even CEOS admitted that applying § 2423(b) to a citizen traveling home would be "novel." In fact, it would be both unprecedented and in conflict with Supreme Court cases that have withstood the test of time for over 60 years.

Moreover, Mr. Epstein did not use the internet (either via email or chatrooms) to communicate with any of the witnesses in this investigation. Indeed, he did not use any other facility of interstate commerce, including the phone, to knowingly persuade, entice, or induce anyone to visit his home—the "local" locus of all the incidents under investigation—much less to persuade, entice, or induce a known minor to engage in prohibited sex acts, as § 2422(b) requires. Nor did anyone on his behalf "persuade" or "induce" or "entice" or "coerce" anyone as these words are ordinarily understood and as the new Supreme Court decisions mandate they be applied: narrowly, without stretching ordinary usage to conform to a prosecutor's case-specific need for a broad (and in this case unprecedented) application. In addition, as will be shown below, § 2422(b) requires that the object of the communication be a state law offense that "can be charged." Yet because the state of Florida's statute of limitations is one year for the first prostitution offense and three years for other targeted offenses, and because all or virtually all of the offense conduct at issue in the federal investigation occurred prior to June 20, 2005, those acts can ***not*** be charged by the State, and thus cannot meet this essential element of federal law.

Finally, Mr. Epstein neither coerced, nor enslaved, nor trafficked, nor derived any profit from his sexual conduct. He was an ordinary "John," not a pimp. But § 1591 is directed only against those who engage in force or fraud or coercion or who are in the business of commercial sexual trafficking. The statute has never been applied to a "John," and only a highly and impermissibly selective prosecution could stretch § 1591 to reach conduct like that at issue in this case.

In short, without "novel" interpretive expansions—a description used by CEOS itself—it cannot be shown that Mr. Epstein violated any of the three federal statutes identified by prosecutors. As the Supreme Court's recent decisions in *Santos* and *Cuellar* make clear, federal law may not be stretched in that manner, and the current federal investigation relies, as its foundation, on impermissibly elastic stretches of each statute beyond any reported precedent; beyond the essential elements of each statute; well outside the ordinary construction of each statute's limitations; and on a selective, extraordinary, and unwarranted expansion of federal law to cover conduct that has always been exclusively within the core of state powers.

At this point in time, the need for Departmental oversight is critical. We appreciate this opportunity to submit our assessment of the key facts in this case and review of the pertinent federal statutes, and respectfully request that the Office of the Deputy Attorney General end federal involvement in this matter so that the State of Florida may resolve this case appropriately.

Summary of the Facts

Mr. Epstein has maintained a home in Palm Beach, Florida for the past 20 years. While there, he routinely conducted business, received medical attention, socialized with friends, and helped care for his elderly mother. Mr. Epstein also had various women visit his home to perform massages. He did not personally schedule the massage appointments or communicate with the women over the phone or the Internet. Rather, Mr. Epstein's personal assistants scheduled many types of appointments, personal trainers, chiropractors, business meetings and massages. The phone message pad taken from his house and in the possession of the government confirmed that in many cases, the women themselves contacted Mr. Epstein's assistants to inquire about *his* availability—rather than vice versa.

The majority of the massages were just that and nothing else. Mr. Epstein often would be on the telephone conducting business while he received his massage. At times, the masseuses would be topless, and some sexual activity might occur—primarily self-masturbation on the part of Mr. Epstein. On other occasions, no sexual activity would occur at all. There was no pattern or practice regarding which masseuse would be scheduled on a particular day—if one would be scheduled at all—or whether any sexual activity might occur. Indeed, Mr. Epstein almost never knew which masseuse his assistants had scheduled until she arrived. *See* Tab 3, [redacted] Toll Records.

Mr. Epstein specifically requested that each masseuse be at least 18 years old. The vast majority of the masseuses were in fact in their twenties, many accompanied to Mr. Epstein's home by friends or even other family members. Furthermore, most of the women who have testified that they were actually under 18 have specifically admitted to systematically lying to Mr. Epstein about their age. *See* Tab 4 [redacted] Tr. at 38-39; Tab 5, [redacted] Tr. at 16; Tab 6, [redacted] Tr. at 6, 8, 22, 45; Tab 7, [redacted] Tr. 13; Tab 8 [redacted] Tr. at 8; Tab 9, [redacted] Tr. at 5; and Tab 10, [redacted] Tr. at 14-15 (excerpts from these transcripts are included below). Furthermore, the women who visited Mr. Epstein's home all visited voluntarily and many willingly returned several times.

The State Attorney's Office (the "SAO") has vast experience prosecuting sex crimes and conducted an exhaustive, 15-month investigation of Mr. Epstein. A Grand Jury has concluded that Mr. Epstein was merely a local "John," guilty of soliciting prostitution in violation of state law. Notably, Florida law distinguishes soliciting from procuring and compelling prostitution if minors are involved. Indeed, soliciting is a misdemeanor except for the commission of a third subsequent offense, turning it into a felony. The SAO, therefore, sought and obtained an indictment charging Mr. Epstein with felony solicitation of prostitution. Mr. Epstein is prepared to plead guilty and accept a sentence for that offense—a sentence that, notably, is far more severe than that meted out to other "Johns" convicted of violating Florida's solicitation laws for cases in which sexual activity was alleged.

Though CEOS points out its admirable goal of "protecting children," a moniker that engenders high emotions, the conduct alleged here involves women over 16, which is the age of consent in 38 states and supplies the effective federal age of consent. The young women were by no means the target of high-school trolling; they were individuals who, with friends, visited Mr. Epstein's house—a home full of friends and staff. The civil complaints filed against Mr. Epstein reiterate the fact that the individuals who visited Mr. Epstein would visit with their friends. And Mr. Epstein never spoke to or had any contact with these women before they arrived at his house. And again, the State is handling this matter appropriately.

We respectfully submit that that should be the beginning and the end of this matter. As you know, the Department's *Petite* Policy precludes successive federal prosecutions after a State has acted: "[A] state judgment of conviction, plea agreement [here held in abeyance solely as a result of the federal investigation], or acquittal on the merits shall be a ***bar*** to any subsequent federal prosecution for the same act or acts." U.S.A.M. § 9-2.031A (emphasis added). Consistent with that principle, and of particular relevance to this case, the Department itself just recently observed the following:

> [P]rostitution-related offenses have historically been prosecuted at the state or local level. This allocation between state and Federal enforcement authority does not imply that these crimes are less serious, but rather reflects important structural allocations of responsibility between state and Federal governments.... [T]he Department is not aware of any reasons why state and local authorities are not currently able to pursue prostitution-related crimes such that Federal jurisdiction is necessary.

See Tab 11, November 9, 2007 Letter from Justice Department Principal Deputy Assistant Attorney General Brian Benczkowski to the House Committee on the Judiciary, p. 8-9.

Summary of the Law

We have reviewed every reported case under 18 U.S.C. §§ 1591, 2422(b), and 2423(b), and cannot find a single one that resulted in a conviction on facts akin to the ones here. In some respects, it is not surprising that no precedent supports federal prosecution of a man who engaged in consensual conduct, in his home, that amounts to solicitation under State law. After all, prostitution, even when the allegations involve minors, is fundamentally a State concern, *United States v. Evans*, 476 F.3d 1176, n.1 (11th Cir. 2007) (noting that federal law "does not criminalize all acts of prostitution (a vice traditionally governed by state regulation)"), and there is no evidence that Palm Beach County authorities and Florida prosecutors cannot effectively prosecute and punish the conduct. *See also Batchelder v. Gonzalez*, No. 4:07-cv-00330-SPM-AK, 2007 WL 5022105 (N.D. Fla. Oct. 19, 2007). In fact, the opposite is true—the state-elected officials, cognizant of the local mores of the community, have a lauded history of just such prosecutions.

In any event, and as set forth below, none of the federal statutes in this case remotely supports a prosecution on the facts of this case without each and every element being stretched in a novel way to encompass the behavior at issue. We begin with first principles. Courts in this country have "traditionally exercised restraint in assessing the reach of federal criminal statutes, both out of deference to the prerogatives of Congress, *Dowling v. United States*, 473 U.S. 207 (1985), and out of concern that 'a fair warning should be given to the world in language that the common world will understand, of what the law intends to do if a certain line is passed.'" *Arthur Andersen LLP v. United States*, 544 U.S. 696, 703 (2005) (quoting *McBoyle v. United States*, 283 U.S. 25, 27 (1931)) (citation omitted).

Two recent Supreme Court decisions dramatically underscore these principles and help to highlight why federal prosecution in this case would be improper as a matter of both law and policy. *See United States v. Santos*, No. 06-1005 (June 2, 2008); *Cuellar v. United States*, No. 06-1456 (June 2, 2008). Though they both address the interpretation and application of the federal money laundering statute, 18 U.S.C. § 1956, the principles they set forth are equally applicable here. In *Santos*, the Court held that the statutory term "proceeds" means "profits" rather than "receipts," and thus gave the statute a significantly narrower interpretation than what the government had urged. In his plurality opinion, Justice Scalia emphasized that where a statutory term in a criminal statute could support either a narrow or broad application, the narrow interpretation must be adopted because "[w]e interpret ambiguous criminal statutes in favor of defendants, not prosecutors." Slip op. at 12. As his opinion explained, the rule of lenity "not only vindicates the fundamental principle that no citizen should be held accountable for a violation of a statute whose commands are uncertain, or subjected to punishment that is not clearly proscribed. It also places the weight of inertia upon the party that can best induce

Congress to speak more clearly and keeps courts from making criminal law in Congress's stead." Slip op. at 6.[1]

In *Cuellar*, the Court examined the link between the money-laundering statute's *mens rea* requirement and the underlying elements of the offense. After a careful textual analysis of the statute and its structure, the Court ruled that the defendant's conviction could be sustained only if he knew that the *transportation* of funds to Mexico was designed to conceal their nature, location, source, ownership or control—not merely that the defendant knew that the *funds* had been hidden during their transportation to Mexico. Slip op. at 10-17.

Both decisions relied on the ordinary meaning of the statutory terms Congress chose. And both rejected attempts to broaden those words to cover conduct not clearly targeted by Congress. Taken together, these decisions reject the notion that prosecutors can take language from a narrowly drawn federal statute—especially one that itself federalizes the prosecution of conduct traditionally within the heartland of State police powers—and convert it into a license to reach additional conduct by ignoring, rewriting or expansively interpreting the law. Both cases additionally rejected the notion that statutes should be broadly construed in order to facilitate prosecutions or to in anyway diminish the burden on prosecutors to prove each essential element of a federal charge in conformity with Congress's determinations as to what is within the federal criminal law and what is not. The conflict between the *Santos* and *Cuellar* decisions and CEOS's grant of effectively unlimited discretionary authority to the USAO to take federal law to "novel" places where they have never reached before could not be starker.

These lessons have no less force in the context of Executive Branch decision-making than they do in the context of Judicial interpretation. As you are aware, when federal prosecutors exercise their discretion, they bear an independent constitutional obligation to faithfully interpret the law as written—not to broaden its scope beyond the limits endorsed by both Congress and the President. There is no support for CEOS's view that the courts or a jury should ultimately decide whether a "novel" construction of the law is correct. Instead, the Executive Branch itself has a non-delegable obligation not to exceed its authority; the power of other branches to check or remedy such usurpation does not legitimize executive action that exceeds its bounds. *See* Tab 12, November 2, 1994 Memorandum from Assistant Attorney General Walter Dellinger to the Hon. Abner J. Mikva, Counsel To The President, on Presidential Authority To Decline To Execute Unconstitutional Statutes, *available at* http://www.usdoj.gov/olc/nonexcut.htm.

In this case, the text, structure, and history of the relevant federal statutes unambiguously indicate that these statutes were designed to address problems of a national and international scope—not the local conduct that is alleged here—and each of these statutes requires proof of the defendant's actual knowledge that simply is not present in this case. Any attempt to stretch the language of these statutes to cover this case would be a misuse of the law and contrary to express legislative intent. In short, the elements under each federal statute—18 U.S.C. §§ 1591, 2422(b) and 2423(b)—are not satisfied here.

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[1] Justice Stevens, in his concurring opinion, also acknowledged the rule of lenity, calling the plurality opinion's discussion of that rule "surely persuasive." *United States v. Santos*, No. 06-1005, slip op. at 5 (June 2, 2008) (Stevens, J., concurring).

1. 18 U.S.C. § 2422(b)

18 U.S.C. § 2422(b) requires the government to prove beyond a reasonable doubt that the defendant engaged in communications over an interstate facility (*e.g.*, the Internet or phone) with four concurrent intentions: (1) to knowingly (2) persuade, induce, entice or coerce, or attempt to persuade, induce, entice, or coerce (3) a minor (4) to engage in prostitution or criminal sexual activity for which the person can be charged. Mr. Epstein's conduct does not satisfy the elements of § 2422(b). Each element must be individually stretched, and then conflated in a tenuous chain to encompass the alleged conduct with any individual woman.

As the statute makes clear, the essence of this crime is the communication itself—not the resulting act. The Court of Appeals for the Eleventh Circuit, in *Murrell,* underscores the point:

> The defendant in *Bailey* contended that attempt under § 2422(b) 'requires the specific intent to commit illegal sexual acts rather than just the intent to persuade or solicit the minor victim to commit sexual acts.' *Id.* at 638. In response, the court held '[w]hile it may be rare for there to be a separation between the intent to persuade and the follow-up intent to perform the act after persuasion, they are two clearly separate and different intents and the Congress has made a clear choice to criminalize persuasion and the attempt to persuade, not the performance of the sexual acts themselves. Hence, a conviction under the statute only requires a finding that the defendant had an intent to persuade or to attempt to persuade.'

United States v. Murrell 368 F.3d 1283, 1287 (11th Cir. 2004) (citing *United States v. Bailey*, 228 F.3d 637, 638-39 (6th Cir.2000)). Thus, the targeted criminal conduct must occur ***through*** the interstate facility, not thereafter, and the *scienter* element must be present at the time of the call or Internet contact.

In this case, however, Mr. Epstein did not use an interstate facility to communicate any illegal intention in this case; the phone calls were made by his assistants in the course of setting up many other appointments. Neither a conspiracy charge nor a charge of aiding and abetting can fulfill the *mens rea* requirement here. Indeed, neither Mr. Epstein nor his assistants knew whether sexual activity would necessarily result from a scheduled massage. And certainly, no such activity was ever discussed on the phone by either Mr. Epstein or his assistants. Instead, as the record in this case makes clear, many appointments resulted in no illegal sexual activity, and often, as confirmed by the masseuses' own testimony, several individuals who were contacted by phone visited Mr. Epstein's house and did not perform a massage at all. Where sexual activity did result, it was mainly self-pleasuring masturbation and not necessarily illegal, but spontaneous and resulted from face-to-face conversations during the massage. Thus, the fact that Mr. Epstein ***later*** may have persuaded any particular masseuse to engage in unlawful activity ***during the massage*** does not work retroactively to render the earlier scheduling phone call an offense under § 2422(b). Nor is there any evidence that women who returned to Mr. Epstein's home time and again were somehow coerced or induced over a facility of interstate commerce to do so.

The first essential element of § 2422(b) that "[w]hoever, using the mail or any facility or means of interstate or foreign commerce," by its plain language, requires that the communication, which is the essence of the crime and its *actus reus,* take place during the use of the facility of interstate commerce (in this case, unlike the vast majority of Internet chat room sting operations, a telephone). The statute is not ambiguous. It requires that the criminal conduct occur while the defendant is "using" (i.e. engaged in the communication), not thereafter.

Given the utter lack of direct evidence against Mr. Epstein, prosecutors have signaled that they intend to offer a purely circumstantial case if this matter proceeds to trial—essentially arguing that "routine and habit" evidence could substitute for actual proof that an interstate facility was used to solicit sex from minors. Thus, despite the fact that the calls themselves were not made by Mr. Epstein and did not contain the necessary explicit communication to knowingly induce minors to provide sexual favors for money, prosecutors are seeking to turn the phrase "are you available"—the same phrase used with friends, chiropractors, and trainers—into a ten-year mandatory prison sentence. In any case, the prosecution's attenuated argument regarding "routine and habit" will also not fit the facts of this case. The witness testimony at issue makes clear that there was no clear "routine or habit" with respect to the interactions at issue. And in those unpredictable instances where sexual contact resulted, it was a product of what occurred ***after*** the benign phone communication, not during the call itself.

The prosecution's theory of liability—that a call to a person merely to schedule a visit to the defendant's residence followed by a decision made at the residence to engage in prohibited sexual activity is sufficient—cannot survive either a "plain language" test or the rule of lenity as they have been authoritatively construed in the recent *Santos* and *Cuellar* cases. The statute cannot be read otherwise. As the *Cuellar* decision makes clear, a proper interpretation of a federal criminal statute is guided "by the words of the operative statutory provision," not by outside objectives, such as those facilitating successful prosecution. *See Cuellar, supra,* Slip op. at 7. As Justice Alito stated in his concurring opinion, the government must prove not just the "effect" of the secretive transportation, but also that "petitioner knew that achieving one of these effects was a design (i.e. purpose) of the transportation" of currency. *Cuellar v. United States, supra,* 553 *U.S.*, Slip op. At 1 (Alito, J. concurring). Similarly, it is not enough that one effect of a communication scheduling a visit between Mr. Epstein and a minor was that there might be subsequent face-to-face inducement. Instead, the statute, as drafted, defines the crime as the communication and demands that far more be proven than that the use of an interstate facility resulted in a later meeting where even an inducement (as opposed to a solicitation) was made.

The prosecution has never represented to counsel that they have evidence that would prove that the inducement or enticement to engage in illegal sexual acts occurred over the phone (or Internet). The prosecution's references to "routine and habit" evidence that would substitute for the explicit communications usually found in the transcripts from chat rooms or sting operations is tenuous at best. In essence, the prosecution would be alleging communications understood, but not spoken, by two people, one of whom was usually a secretary or assistant. Separating the *actus reus* and the *mens rea*, however, and premising criminal liability on persuasion that might occur *after* the communication, or on the existence of a specific intent to engage in illegal sex with a minor that arises *after* the communication would violate the bedrock principle of criminal law that predicates liability on the concurrence of the act and the criminal state of mind. Even if, *arguendo*, the communication and *mens rea* could be separated (a premise which is at odds with the requirement of concurrence), Mr. Epstein denies that the factual proof demonstrates such a pattern or practice. Instead, the evidence compellingly proves that there was no regularity or predictability to the content of the communication or in what occurred at meetings that were telephonically scheduled (including those that are the subject of this investigation).

A second essential element of 2422(b) requires that the defendant "knowingly" induce, persuade, entice or coerce a person believed to be a minor. ". . . [K]knowingly . . . induces . . ." requires the Court to define inducement so it is consistent with its ordinary usage and so the term is not so broad that it subsumes the separate statutory terms of "entices" and "persuades." Inducement has a common legal meaning that has been endorsed by the government when it operates to *narrow* the affirmative defense of entrapment. *Inducement* must be more than "mere solicitation;" it must be more than an offer or the providing of an opportunity to engage in prohibited conduct. *See, e.g,. United States v. Sanchez-Berrios,* 424 F.3d 65, 76-77 (1st Cir. 2005); *United States v. Brown,* 43 F.3d 618, 625 (11th Cir. 1995). The government cannot fairly, or consistent with the rule of lenity, advocate a broader definition of the same term when it ***expands*** a citizen's exposure to criminal liability than when it ***limits*** the ambit of an affirmative defense to criminal conduct. If the term is ambiguous, absent clear Congressional intent on the issue, the Court's decision in *Santos* requires that the narrower rather than the broader definition be used.

The facts simply do not prove Mr. Epstein's culpability for knowingly inducing or persuading minors. First, in the case of masseuses who agreed or even sought to return to see Mr. Epstein on successive occasions, there is no evidence that there was any inducement, persuasion, enticement or coercion over the phone. And, for masseuses seeing Mr. Epstein for the first time, there was generally no telephone contact with Mr. Epstein and there was no knowledge that any third party at Mr. Epstein's specific direction was inviting them to Mr. Epstein's home over the phone rather than in face-to-face meetings. The women who visited Mr. Epstein's home were all friends of friends. Contrary to the facts in this case, § 2422(b)'s knowing inducement element is essential to federal liability and, given its hefty minimum mandatory punishment, it should not be interpreted as a strict liability statute.

There is insufficient evidence that Mr. Epstein targeted minors, as required. The evidentiary pattern does not even establish willful blindness since Mr. Epstein took steps to ensure his visitors were over 18—and certainly took none to avoid knowing. But, even if the government contends that it possesses evidence that could demonstrate that Mr. Epstein knew or should have known or suspected that a small number of the masseuses were underage, that would still not make this an appropriate case for federal, rather than state prosecution. The federal statutes were not intended to supersede state prosecutions involving isolated instances of underage sex. Instead, the federal statutes were intended for large-scale rings or for an individual who was engaged, while using interstate facilities such as the Internet, with the willful targeting of minors.

The government's evidence, even when stretched to the limit, will not show a pattern of targeting underage persons for illegal sexual activity. A federal prosecution should not become a contest between the prosecution and defense over whether the defendant knew, suspected or should have known whether a particular person was or was not over age. The history of cases brought under this statute make crystal clear that knowledge of the defendant regarding the age of the women is required—either by admission or by incontrovertible transcripts of conversations (i.e. stings operations which require repeated acknowledgment of the defendant's awareness of the victims' age). Even states with absolute liability about mistake regarding age rarely prosecute cases where definitive proof is lacking (Palm Beach County rarely does and when it does, it imposes house arrest sentences). This is a matter for the exercise of state prosecutorial discretion and not federal mandatory minimum statutes that were not intended to cover such conduct.

A third essential element of § 2422(b) is the requirement that the government prove that the defendant actually believed that the person being persuaded (coerced, etc.) was a minor at the time of the communication. *See e.g.*, Offense Instruction 80, Eleventh Circuit Pattern Jury Instructions-Criminal (2003) ("The defendant can be found guilty of that offense only if...the defendant believed that such individual was less than (18) years of age..."); *United States v. Murrell,* 368 F.3d 1283, 1286 (11th Cir. 2004) (§ 2422(b) requires that the defendant knowingly target a minor). Importantly, then, all the elements must be proven with respect to a specific person. However, we are told that the majority of proof is no more than toll records, not recorded conversations or Internet chat transcripts, but toll records and perhaps a memory of what was said years ago on a particular call for a particular request from a particular person acting at Mr. Epstein's direction.

Two final points bear special emphasis here. The statute, which according to *Santos* and *Cuellar* must be narrowly construed, also requires that the inducement be to engage in prostitution or sexual activity "for which [the defendant] can be charged." 18 U.S.C. § 2422(b). However, simple prostitution is not defined (or made punishable) in the U.S. Code, and state law thus supplies the appropriate reference point. Under Florida law, "prostitution" entails the "giving or receiving of the body for sexual activity for hire," Fla. Stat. § 796.07(1)(a), and the term "sexual activity" is limited to "oral, anal, or vaginal penetration by, or union with, the sexual organ of another; anal or vaginal penetration of another by any other object; or the handling or fondling of the sexual organ of another for the purpose of masturbation." Fla. Stat. § 796.01(1)(d). Also, the Florida Supreme Court jury instructions define prostitution as involving "sexual intercourse." As a result, topless massages—even ones for hire that include *self-masturbation*—fall outside the ambit of the state-law definition of prostitution. Absent proof beyond a reasonable doubt that, at the critical time of the communication, Mr. Epstein had a specific intent to persuade another to engage in prostitution or "sexual activity," *as defined by Florida law,* he cannot be guilty of an offense under § 2422(b).

As important, the plain language of the phrase "for *which any person can be charged*" necessarily excludes acts as to which the state's statute of limitations has run. Under Florida law, prostitution and prostitution-related offenses are misdemeanors in the second degree for a first violation.[2] *See* Fla. Stat.. § 796.07(4)(a). The limitations period for a misdemeanor in the second degree is one year, and there is no tolling provision based upon the victim's age. *See* Fla. Stat. § 775.15(b). Even as to allegations of third degree felonies, the statute of limitations is three years. Thus, any conduct alleged to have occurred before mid-June 2005 cannot be charged as a matter of state law and thus cannot be a predicate for a § 2422(b) offense—even if the federal statute of limitations has not run on any given § 2422(b) offense because of the lengthier statute codified in 18 U.S.C. § 3282. Thus, no prosecution under § 2422(b) can be brought based upon inducement of prostitution or sexual activity for which Florida's statute of limitation has run. Furthermore, in Florida, the statute of limitations does not simply give rise to an affirmative defense. On the contrary, statute of limitations "creates a substantive right which prevents prosecution and conviction of an individual after the statute has run." *See State v. King*, 282 So. 2d 162 (Fla. 1973); *Tucker v. State*, 417 So. 2d 1006 (Fla. 3d D.C.A. 1982) (citing cases).

Given the one-year statute of limitations, any conduct that might amount to prostitution or other chargeable sexual activity that occurred before one year from today is not conduct for which any person can be charged with a criminal offense. Also, given the three year statute of limitations for third degree felonies, any allegations of illegal state criminal conduct that is classified as a third degree felony cannot be charged in the state and, concomitantly, cannot be the basis for a federal charge under § 2422(b), to the extent that it occurred—as did almost all of the pivotal allegations (e.g., the [redacted] allegation which was made in March of 2005) prior to mid-June of 2005.

2. 18 U.S.C. § 1591

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[2] The offense is a felony of the third degree only for a third or subsequent violation. Fla. Stat. § 796.07(4)(c).

18 U.S.C. § 1591, a sex trafficking statute, provides up to 40 years' imprisonment for anyone (1) who recruits or obtains by any means a person in interstate commerce (ii) knowing that the person is under 18 and (iii) knowing that the person will be caused to engage in a commercial sex act. The most heinous of crimes, described on the CEOS website, fall within this statute and include the buying and selling of children and the forced servitude of third-world immigrants brought to this country to be enslaved. Mr. Epstein's behavior is nowhere near the heartland of this statute. This statute has also been previously reserved for prostitution rings involving violence, drugs and force. In stark contrast, there is no jurisdictional hook that brings Mr. Epstein's conduct within the ambit of the statute, and securing a prosecution on these facts would require a court to set aside both reason and precedent to convict a local 'John' with a sex-slavery crime. It can not be said that Mr. Epstein engaged in trafficking and slavery nor did he knowingly recruit or obtain underage women with knowledge that they would be caused to engage in a commercial sex act. Thus, prosecuting him under this statute would expand the law far beyond its scope.

To the extent there are cases where prosecutors think that Mr. Epstein should have known that certain women were underage, there is no evidence that Mr. Epstein "*caused* [them] to engage in a commercial sex act." The term "cause" naturally implies the application of some sort of force, coercion, or undue pressure, but there is no evidence that Mr. Epstein's interactions with the women were anything but consensual. Again, many of the women phoned Mr. Epstein's assistant themselves in order to determine whether ***he*** wanted a massage. Nor can the cause requirement be proved simply by the fact that Mr. Epstein compensated the women. After all, the statute ***elsewhere*** requires that the women "engage in a commercial sex act," which by definition means that they would have received something of value in exchange for sexual services. Interpreting the statute to authorize prosecution whenever a commercial sex act results from solicitation thus would render the term "caused" superfluous, and would make every 'John' who interacts with an underage prostitute guilty of a federal crime—even where the transaction is entirely local. Read in context, then, there is no doubt that the statute targets pimps and sex-traffickers who knowingly obtain underage girls and direct them to engage in prostitution. There is not a shred of evidence that Mr. Epstein (or his assistants) did any such thing, and he cannot be prosecuted under this statute.

The *Cuellar* and *Santos* decisions also foreclose a prosecution under § 1591. Just as the federal money laundering statute did not come down to a proscription against transportation of criminal proceeds that are hidden, the sex trafficking of children statute cannot be boiled down and expanded to a federal proscription of commercial sexual activity with persons who turn out to be below the age of 18.

3. 18 U.S.C. § 2423

18 U.S.C. § 2423(b), a statute enacted to prevent sex tourism, provides up to 30 years of imprisonment for anyone who travels across state lines (i) for the purpose of engaging in (ii) illicit sexual conduct with a minor. Neither of those elements is satisfied here.

Mr. Epstein did not travel to Palm Beach ***for the purpose of*** engaging in sexual activity with a minor, within the meaning of the statute. The evidence is indisputable that Palm Beach was where Mr. Epstein spent most of his discretionary time, and that his travels to Palm Beach were merely trips returning often to his home of twenty years—not the escapades of a sex tourist off to some destination inextricably intertwined with the required significant or dominant purpose of that trip to be to have "illicit sexual conduct." Epstein's trips to Palm Beach were simply those of a businessperson traveling home for weekends or stopping over on his way to or from New York and St. Thomas or to visit his sick and dying mother in the hospital for months on end. He certainly did not travel to his home in Florida for the dominant purpose of engaging in sexual conduct with a person who he knew was under 18 when he did not know, at the time he decided to travel, from whom he was to receive a massage, if he were to receive one at all.

In *Cuellar,* the unanimous Supreme Court linked the term "design" in the money-laundering statute to the terms "purpose" and "plan," and stressed that those terms all required the defendant to "formulate a plan for; devise"; "[t]o create or contrive for a particular purpose or effect"; [carry out] "[a] plan or scheme"; or "to conceive and plan out in the mind." Slip. op. at 12 (citing dictionary definitions). The same link is present here, and it simply cannot be said that Mr. Epstein's design, plan, or purpose in traveling to Palm Beach was to engage in illicit sexual conduct with minors; his design or plan or purpose was simply to return to his home.

Any construction of § 2423(b)'s "for the purpose of" language to include purposes beyond the dominant purpose of the travel would run afoul of the rule of lenity and due process principles discussed earlier. Any attempted prosecution of Mr. Epstein under a more expansive construction of the "for the purpose of" language would also violate the separation of powers doctrine. Congress, which selected the "for the purpose of" language signaled no clear intention to make it a federal crime whenever an actor has engaged in illicit sexual conduct following his crossing of state lines as long as it might be said that sexual activity at his destination was among the activities he pursued there. Congress well knows how to write a statute in this field which eliminates a purpose requirement. *See* 18 U.S.C. § 2423(c)("Any United States citizen or alien admitted for permanent residence who travels in foreign commerce, and engages in any illicit sexual conduct with another person ..."). § 2423(b) is not such a statute.

Federal court decisions watering down the "for the purpose of " requirement fly in the face of the two Supreme Court decisions addressing that element. See *Hansen v. Huff,* 291 U.S. 559 (1934); *Mortensen v. United States,* 322 U.S. 369 (1944). *Santos* and *Cuellar* speak loudly and clearly against prosecutors seeing such elasticity in federal criminal statutes, including those enacted to protect important federal interests. In cases involving the federalization of activity that is within the *States'* historic police power, Congress must speak with particular clarity. *See, e.g., Will v. Michigan Dep't of State Police,* 491 U.S. 58, 65 (1989).

Relevant Past Cases

We have not been able to find a single federal prosecution based on facts like these—but have voluminous evidence of federal prosecutors routinely declining to bring charges in cases far more egregious than this one. To take just one obvious example, federal prosecutors have self-consciously refrained from involvement in the literally dozens of sexual cases of former priests, opting instead to allow seasoned state prosecutors (like the ones in this case) to pursue the accused former clergymen. That is so despite (1) the large number of victims, (2) the vast geographic diversity of the cases, and (3) the fact that some of these cases involve allegations that the defendant forcibly molested, abused, or raped literally dozens of children—including some as young as five years old—over a period of years. Nonetheless, federal prosecutors have not hesitated to let their state counterparts pursue these cases free from federal interference—even though the sentences meted out vary greatly on account of the fact that "[c]riminal penalties are specific to localities or jurisdictions."[3] The facts of this case, which involve the solicitation of consensual topless massages and some sexual contact, entirely in the privacy of his home and almost entirely by women over the age of 18, pale in comparison to the outright sexual abuse and degradation of preteen minors in many of the priest cases.

Nor does this case bear any of the hallmarks that typify the cases that federal prosecutors have pursued under the federal statutes at issue here. When asked, the closest case suggested by the prosecutors was *United States v. Boehm*—and it hardly could differ more from Mr. Epstein's case. In *Boehm*, the defendant was charged with conspiracy to distribute cocaine and cocaine base to minors, in violation of 21 U.S.C. §§ 846, 841(a)(1), and 859(a); being a felon in possession of a firearm, in violation of 18 U.S.C. § 922(g)(1); and sex trafficking of children in violation of 18 U.S.C. §§ 371 and 1591. *United States v. Boehm*, Case No. 3:04CR00003 (D. Alaska 2004). Boehm's actions, unlike Mr. Epstein's, also had a strong interstate nexus: Boehm purchased and distributed large quantities of crack cocaine and cocaine that traveled in interstate commerce, and he used his home and hotels (which were used by interstate travelers) to purchase drugs and distribute them to minors while also arranging for these minors to have sex with him and others. Indeed, Boehm not only (1) purchased cocaine in large quantities; (2) distributed the drugs to minors; (3) possessed illegal firearms; (4) and arranged for the minors to have sex with other members of the conspiracy in exchange for drugs; but (5) admitted to knowing the ages of the individuals involved.[4] Here, by contrast, as previous stated, all of the conduct took place in Mr. Epstein's private home in Palm Beach; there was no for-profit enterprise; no interstate component; no use by Mr. Epstein of an instrumentality of interstate commerce; no violence; no force; no alcohol; no drugs; no guns; and no child pornography.

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[3] *See* http://www.bishop-accountability.org/reports/2004_02_27_JohnJay/2004_02_27_Terry_JohnJay_3.htm #cleric7.

[4] In fact, Boehm and his co-defendants distributed drugs to approximately 12 persons between the ages of 13 and 21. Boehm also had a prior criminal history—and one that clearly showed he was a danger to society: he previously had been convicted of raping both a thirteen year-old girl and a fifteen year-old girl. (Day 7 of Sentencing hearing p. 32).

To the extent there is a similar, but more egregious, local Florida case on the books, it is that of Barry Kutun, a former North Miami city attorney accused of having sex with underage prostitutes and videotaping the sessions. Mr. Kutun pleaded guilty on May 18, 2007 in a Miami-Dade County courtroom as part of an agreement with State prosecutors and he received five years probation and a withholding of adjudication with no requirement to register as a sex offender—all without a shred of involvement by federal prosecutors, who declined to prosecute him. Indeed, given the wide use of the telephone in today's society, it gives a rogue prosecutor carte blanche to turn any local crime into a federal offense. Given the federal government's decision to abstain from prosecuting that case, it is hard to understand how the federal prosecutors responsible for this case think that the State's treatment of Mr. Epstein somehow leaves federal interests substantially unvindicated. There is simply no basis for the federal prosecutors' disparate treatment of Mr. Epstein.

Summary of the Evidence

Finally, we wish to share new evidence—obtained through discovery in connection with the civil lawsuits filed in this matter—which confirms that further federal involvement in this matter would be inappropriate. This testimony taken to date categorically confirms that (i) Mr. Epstein did not target minors; (ii) women under 18 often lied to Mr. Epstein about their ages; (iii) Mr. Epstein did not travel in interstate commerce for the purpose of engaging in illegal sexual activity; (iv) Mr. Epstein did not use the Internet, telephone or any other means of interstate communication to coerce or entice alleged victims; (v) Mr. Epstein did not apply force or coercion to obtain sexual favors; and (vi) all sexual activity that occurred was unplanned and purely consensual. The women's own statements—made under oath—demonstrate the absence of a legitimate federal concern in this matter, and highlight the serious practical difficulties an attempted federal prosecution would face.

- Mr. Epstein did not recruit or obtain these women in interstate commerce (necessary for a conviction under § 1591).
    - [redacted] confirmed that she did not know Mr. Epstein and had absolutely no contact with him—be it through Internet, chat rooms, email, or phone—prior to their arrival at his home. *See* Tab 13, [redacted] Tr. (deposition), p. 30.
    - [redacted] has stated that (like many other women) she first met Mr. Epstein when her friend, [redacted] introduced her to him. *See* Tab 14, [redacted] Tr. A, p. 4-5.
- Mr. Epstein was told the girls were over 18.
    - [redacted] expressly admitted to lying to Mr. Epstein about her age. *See* Tab 13, [redacted]. (deposition), p. 37 ("Q. So you told Jeff that you were 18 years old, correct? A. Yes.").
    - [redacted] stated that she not only always made sure she had a fake ID with her and lied to Mr. Epstein by telling him she was 18, but that she

also had conversations with other women in which these women hoped that "Jeffrey didn't find out [their] age[s]." *See* Tab 6, Miller Tr., p. 45.

- [redacted] also stated that she: "would tell my girlfriends just like [redacted] approached me. Make sure you tell him you're 18. Well, these girls that I brought, I know that they were 18 or 19 or 20. And the girls that I didn't know and I don't know if they were lying or not, I would say make sure that you tell him you're 18." *See* Tab 6, [redacted] Tr., p. 22.
- [redacted] stated that [redacted] old her say that she was 18 if asked. *See* Tab 14, [redacted] Tr. A, p. 8.
- [redacted] stated that she "told him I was 19." *See* Tab 5, [redacted] Tr., p. 16.

- Mr. Epstein did not know these women would be caused to engage in a sex act (necessary for a conviction under § 1591) and any sexual activity that took place was unplanned.
  - [redacted] stated "sometimes [Mr. Epstein] likes topless massages, but you don't have to do anything you don't want to do. He just likes massages." *See* Tab 6, [redacted] Tr., p. 7.
  - [redacted] also stated "[s]ometimes [Mr. Epstein] just wanted his feet massaged. Sometimes he just wanted a back massage." *See* Tab 6, [redacted] Tr., p. 19.
- Mr. Epstein did not use an interstate facility to communicate an illegal objective to the alleged victims (necessary for a conviction under § 2422(b)).
  - [redacted] confirmed that Mr. Epstein never emailed, texted, or chatted in an Internet chat room with her. *See* Tab 13, [redacted] (deposition), p. 30.
- Mr. Epstein did not target minors (necessary for a conviction under § 2422(b))
  - [redacted] stated, "I always made sure -- I had a fake ID, anyways, saying that I was 18. And [[redacted] (who is [redacted] friend who brought her to Mr. Epstein's home)] just said make sure you're 18 because Jeffrey doesn't want any underage girls." *See* Tab 6, [redacted] Tr., p. 8.
- Mr. Epstein did not use the phone or the Internet to induce proscribed sexual activity (necessary for a conviction under § 2422(b)).
  - [redacted] stated that there was never any discussion over the phone about her coming over to Mr. Epstein's home to engage in sexual activity: "The only thing that ever occurred on any of these phone calls [with [redacted] or another assistant] was, 'Are you willing to come over,' or,

'Would you like to come over and give a massage." *See* Tab 14, [redacted] Tr. A, p. 15

  - [redacted] confirmed that she was informed that she was going to Mr. Epstein's house to give him a massage and nothing else, and that no one "said anything to [her] on the telephone [or over the Internet] about sexual activity with Mr. Epstein." *See* Tab 13, [redacted] (deposition), p. 24-25.

  - [redacted] also confirmed that no one associated with Mr. Epstein ever tried to call her or contact her through the Internet to try to persuade, induce, entice or coerce her to engage in any sexual activity. *See* Tab 13, [redacted] (deposition), p. 31.

- Mr. Epstein did not travel to Palm Beach for the purpose of engaging in sexual activity with a minor (necessary for a conviction under § 2423(b)).

  - Mr. Epstein spent at least 100 days a year in Palm Beach for family purposes, business purposes, and social purposes, and to maintain a home.

  - While in Palm Beach, Mr. Epstein routinely visits family members and close friends, has seen his primary care physician for checkups and prescribed tests in the Palm Beach area, and until her death in April of 2004, regularly saw his mother who was hospitalized and then convalesced in south Florida.

  - From 2003 through 2005 there was no month when Mr. Epstein did not spend at least one weekend in Palm Beach.

  - The Palm Beach area is the home base for his flight operations, for maintenance of his aircraft, and for periodic FAA inspections.

  - Additionally, Mr. Epstein's pilots and engineers all resided in Florida.

- Mr. Epstein's conduct did not involve force, coercion or violence and any sexual activity that took place was consensual. The witness transcripts are replete with statements such as the following:

  - [redacted] stated that she was not persuaded, induced, enticed or coerced by anyone to engage in any sexual activity. *See* Tab 13, [redacted] Tr. (deposition), p. 31.

  - [redacted] stated: "[Mr. Epstein] never tried to force me to do anything." *See* Tab 14, [redacted].

  - [redacted] stated, "I said, I told Jeffrey, I heard you like massages topless. And he's like, yeah, he said, but you don't have to do anything that you don't feel comfortable with. And I said okay, but I willingly took it off." *See* Tab 6, [redacted].

  - [redacted] also stated "[s]ome girls didn't want to go topless and Jeffrey didn't mind." *See* Tab 6, [redacted]

- Mr. Epstein did not engage in luring.
  - Mr. Epstein's message books show that several masseuses would regularly call Mr. Epstein's assistants, without any prompting by Mr. Epstein or his assistants, asking to visit Mr. Epstein at his home.
  - [redacted] stated "a lot of girls begged me to bring them back [to Mr. Epstein's house]."
- There was no alcohol or drugs involved, a fact that is not in dispute.
- Mr. Epstein has no prior criminal history, a fact that is not in dispute.
- These women do not see themselves as victims.
  - [redacted] indicated under oath that the FBI attempted to persuade her that she was in fact a "victim" of federal crimes when she herself repeatedly confirmed that she was not. *See* Tab 14, [redacted], p. 9-12 and Tab 15, [redacted]r. B, p. 7.

Conclusion

Jeffrey Epstein, a self-made businessman with no prior criminal history, should not be prosecuted federally for conduct that amounts to, the solicitation of prostitution. A federal prosecution based on these facts would be an unprecedented exercise of federal power, a misuse of federal resources, and a prosecution that would carry with it the appearance, if not the reality, of unwarranted selectivity given the incongruity between the facts as developed in this matter and the factual paradigms for all other reported federal prosecutions under each of the three statutes being considered. It would require the pursuit of a novel legal theory never before sanctioned by federal law—and that indeed is inconsistent with each of the statutes prosecutors have identified. Accordingly, we respectfully request that you direct the U.S. Attorney's Office for the Southern District of Florida to discontinue its involvement in this matter, and return responsibility for this case to the State of Florida.

SUMMARY OF MISCONDUCT

KIRKLAND & ELLIS LLP
SUMMARY OF MISCONDUCT ISSUES IN THE MATTER OF JEFFREY E. EPSTEIN

The manner in which federal prosecutors have pursued the allegations against Mr. Epstein is highly irregular and warrants full review by the Department. While we repeatedly have raised our concerns regarding misconduct with the United States Attorney's Office in Miami (the "USAO"), not only has it has remained unwilling to address these issues, but Mr. Epstein's defense counsel has been instructed to limit its contact to the very prosecutors who are the subject of this misconduct complaint. For your review, this document summarizes the USAO's conduct in this case.

Background

1. In March 2005, the Palm Beach Police Department opened a criminal investigation of Palm Beach resident, Jeffrey E. Epstein. The press has widely reported that Mr. Epstein is a close friend of former President Bill Clinton.

2. In July 2006, after an intensive probe, including interviews of dozens of witnesses, returns of numerous document subpoenas, multiple trash pulls and the execution of a search warrant on his residence, Mr. Epstein was indicted by a Florida Grand Jury on one count of felony solicitation of prostitution.

3. In a publicly released letter, Palm Beach Police Chief Michael Reiter criticized the Grand Jury's decision and the State Attorney's handling of the case. Shortly after the Grand Jury's indictment, the Chief took the unprecedented step of releasing his Department's raw police reports of the investigation (including Detective Recarey's unedited written reports of witness statements and witness identification information), that were later proven to be highly inaccurate transcriptions of witnesses' actual statements. The Chief also publicly asked federal authorities to prosecute the case.

Jeffrey Sloman Becomes Involved in Mr. Epstein's Case at the Earliest Stage

4. In early November of 2006, Epstein's lawyers had their initial contact with the newly assigned line federal prosecutor, A. Marie Villafana. Although it is extremely unusual for a First Assistant United States Attorney to participate in such a communication, FAUSA Jeffrey Sloman was present on that very first phone call.

5. On November 16, 2006, despite that the fact that the investigation exclusively concerned illegal sexual conduct during massage sessions, AUSA Villafana issued irrelevant official document requests seeking Mr. Epstein's 2004 and 2005 personal income-tax returns, and later subpoenaed his medical records. *See* Tab 16, November 16, 2006 Letter from M. Villafana.

Sloman Becomes Personally Involved in a Dispute Over Another State Sex Case

6. In March 2007, FAUSA Sloman reported to local police an attempted trespass by a 17-year-old male. Mr. Sloman claimed that the individual had attempted to enter Mr. Sloman's home without invitation to make contact with his 16-year-old daughter, but he spotted the young man before the perpetrator had an opportunity to enter the house. The

same individual had previously fled the home of another neighbor after entering that house uninvited, when, looking for the bedroom of their 17-year-old daughter, he mistakenly entered the bedroom of their 14-year-old daughter, touched her on the leg and startled her awake. *State of Florida v. Johnathan Jeffrey Zirulnikoff*, Case No. F078646 (June 28, 2007).

7. After a thorough review by the Miami State Attorney's Office, and sex-crimes prosecutor Laura Adams, the investigation revealed that the defendant and both the neighbor's 17-year-old daughter and Mr. Sloman's daughter were previously acquainted. The defendant was charged with simple trespass in connection with his unauthorized entry into the neighbor's house. *Id.*

8. FAUSA Sloman, however, demanded that the young man be *registered as a sex offender* and objected to any sentence short of incarceration. The Assistant State Attorney in charge of the sex-crimes unit reported Mr. Sloman's conduct during the proceedings as "outrageous." The defendant's attorney described Mr. Sloman as being "out of control." Shortly after, Mr. Sloman began publicly deriding the elected State Attorney, his office and the state process for prosecuting sex offenses, as "a joke."

Unauthorized Tactics in Disregard of the United States Attorney's Manual are Used

9. In June 2007, AUSA Villafana subpoenaed the investigating agent of Epstein's attorney, Roy Black, in a clear effort to invade the defense camp. The subpoena was specifically drafted to discover the investigator's contacts, with all prospective witnesses, Mr. Epstein and his attorneys.[1] Not surprisingly, Ms. Villafana issued this subpoena *without the requisite prior approval* by the DOJ's Office of Enforcement Operations. *See* United States Attorneys' Manual, § 9-13.410. When confronted, she misleadingly responded that she had consulted with the Department of Justice and *was not required to obtain OEO approval* because her subpoena was not directed to "an office physically located within an attorney's office." *See* Tab 18, December 13, 2007 Letter from M. Villafana at 4 n.1. This answer clearly suggests that Ms. Villafana had intentionally misled the Department officials about the items that her subpoena sought.[2]

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[1] The subpoena sought, among other things: "All documents and information related to the nature of the relationship between [the investigator and/or his firm] and Mr. Jeffrey Epstein, including but not limited to . . . records of the dates when services were performed . . . telephone logs or records of dates of communications with Mr. Epstein (or with a third party on Mr. Epstein's behalf); appointment calendars/datebooks and the like (whether in hard copy or electronic form) for any period when work was performed on behalf of Mr. Epstein or when any communication was had with Mr. Epstein (or with a third party on Mr. Epstein's behalf) . *See* Tab 17, June 18, 2007 Subpoena to William Riley/ Riley Kiraly, ¶ 3.

[2] Indeed, we are aware of two other recent instances in which Villafana placed serious misrepresentations before a court. On July 31, 2007, in the grand-jury litigation arising out of this case, she filed the "Declaration of Joseph Recarey," attaching the state detective's affidavit in support of a search warrant for Epstein's house. *See In Re Grand Jury Subpoenas Duces Tecum OLY-63 and OLY-64*, No. FGJ 07-103(WPB) (S.D. Fla. July 31, 2007). At the time she filed Detective Recarey's affidavit, she knew it contained numerous material misrepresentations, including gross misstatements of witness statements and other evidence. Second, we

(Continued...)

Mr. Epstein is Required to Agree to Civil Liability In Order to Avoid a Federal Indictment

10. On July 31, 2007, during negotiations over a possible federal plea agreement, FAUSA Sloman and AUSA Villafana demanded that Mr. Epstein agree to the imposition of civil liability under 18 U.S.C. § 2255 as a pre-condition to deferral of federal prosecution. To the best of our knowledge, the inclusion of such a term in a deferred prosecution agreement of this kind is absolutely unprecedented.[3] Specifically, Ms. Villafana demanded that Mr. Epstein waive the right to contest civil liability to a list of individuals she said were "victims" of § 2255, ***whose names, however, she refused to disclose,*** and agree to ***pay damages of a minimum of $150,000*** to each and every one of such undisclosed individuals, and ***hire an attorney to represent them if they decided to sue him.*** *See* Tab 20, July 31, 2007 Draft of Deferred Prosecution Agreement.

11. FAUSA Sloman and AUSA Villafana insisted that the identities of the individuals on the list not be disclosed to Mr. Epstein or his counsel ***until after Mr. Epstein was already sentenced*** in the state case.

    (a) Over the next two months, Mr. Sloman refused to negotiate these terms. They ultimately became incorporated into the final deferred prosecution agreement. *See* Tab 21, September 24, 2007 Non-Prosecution Agreement, ¶¶ 7-11.

    (b) It was not until seven months later, in February 2008, that Epstein's lawyers were able to take their first official statement from one of the women FAUSA Sloman alleged were minor victims of federal offenses.

    (c) This statement, a deposition of [redacted], the initial complainant in the state case, taken in the presence of her lawyer, proved that none of the necessary elements for any federal charge could be satisfied based on [redacted] brief contact with Mr. Epstein. The witness also admitted lying to Mr. Epstein, testifying that she told him that she was an adult and wanted him to believe that she was an adult. *See* Tab 13, [redacted] (deposition), p. 35 ("Q. So you told Jeff that you were 18 years old, correct? A. Yes."), 37 ("Q. You wanted Mr. Epstein to believe that you really were 18, right? A. Correct.").

    (d) Shortly after this deposition, the defense was able to obtain statements from other women on Mr. Sloman's so called "list of § 2255 victims" and, so far, all such statements also continue to demonstrate that Mr. Sloman's repeated representations to the defense about the existence of federal jurisdiction were false.

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understand that Villafana was recently reprimanded at a special hearing convened by a United States District Judge in the West Palm Beach Division of the Southern District of Florida, for making misrepresentations during a prior sentencing proceeding.

[3] In fact, Stephanie Thacker, a former deputy to CEOS Chief Drew Oosterbaan, has stated that she knew of no other case like this being prosecuted by CEOS.

12. In August 2007, in a clear attempt to coerce a state settlement, Ms. Villafana threatened to broaden the investigation to include a money laundering violation (18 U.S.C. § 1956), though all the funds expended were simply Mr. Epstein's, and a violation for operating an unlicensed money-transmitting business (18 U.S.C. § 1960), though Mr. Epstein never had such a business. *See* Tab 22, August 31, 2007 Letter from M. Villafana to Ross (reciting, in a target letter to one of Epstein's employees, that the investigation concerns "suspected violations of federal law, including but not limited to, possible violations of Title 18, United States Code, Sections . . . ***1591, . . . 1956, 1960*** . . . .") (emphasis added).

13. On the very same day that the grand jury issued subpoenas to the records-custodian and employees of Epstein's businesses for ***all financial transactions*** from 2003 forward, Ms. Villafana (who we were told was not authorized to act in this regard without supervisory approval) ***promised to close the money-laundering investigation*** "if the sex offense case is resolved." *See* Tab 23, August 16, 2007 Letter from M. Villafana to G. Lefcourt ("In other words, if the sex offense case is resolved, the Office would close its investigation into other areas as well. The matter has not been, and it does not appear that it will be, resolved so the money laundering investigation continues, and Request Number 6 [seeking records of every financial transaction conducted by Epstein and his six businesses from "January 1, 2003 to the present"] will not be withdrawn.").

14. Two weeks later, when Mr. Epstein continued to oppose federal prosecution during negotiations and Mr. Epstein's counsel sought a meeting with the United States Attorney, AUSA Villafana then classified all of Mr. Epstein's assistants as targets (sending a target letter to one of them and promising the attorney of the other two that additional target letters would be served on them as well), dispatched FBI agents to the homes of two of his secretaries, and personally telephoned Mr. Epstein's largest business client to advise him of the nature of the investigation. *See* Tab 22, August 31, 2007 Letter from M. Villafana to [redacted]

FAUSA Sloman Forces Mr. Epstein's Lawyers to Convince the State Prosecutors To Impose a More Severe Sentence Than They Believe Is Appropriate

15. Throughout the plea negotiations with the USAO, Mr. Sloman and Ms. Villafana continually insisted that the only way they would agree not to bring a federal indictment was if Epstein's lawyers, not the state prosecutors as required under the *Petite Policy*, convinced the state prosecutors to impose a more severe punishment than the state believed was appropriate under the circumstances.

16. FAUSA Sloman's version of the history with respect to the sentence he required Mr. Epstein's lawyers to seek from the State contradicts his later assertion, which is patently false—that "*the SDFL indicated a willingness to defer to the State the length of incarceration*" and "*considered a plea to federal charges that limited Epstein's sentencing exposure . . .* " *See* Tab 1, May 19, 2008 Letter from J. Sloman. In fact, by a email dated August 3, 2007, Criminal Division Chief Matthew Menchel advised the defense that the federal government required a minimum term of two years of incarceration. See Tab 40, August 3, 2007 Email from M. Menchel. Subsequently, Ms.

Villafana emailed the defense stating that United States Attorney Acosta would accept no less than 18 months of incarceration, following by a one-year term of house arrest.

Federal Prosecutors Misrepresented the Number of Alleged "Victims."

17. In September 2007, in order to add additional pressure on Mr. Epstein to execute a deferred prosecution agreement, AUSA Villafana claimed that there were "40" minors on the government's list of purported § 2255 victims. To compound that misleading characterization, she continued to insist that a guardian-ad-litem be appointed to represent these purported "minors" in the proceedings. *See* Tab 24, September 19, 2007 Email from M. Villafana to J. Lefkowitz.

18. When challenged as to whether there was a genuine need for a ***guardian,*** given that Ms. Villafana continued to refuse to disclose the names or any other information about her putative list of "minors," she eventually conceded that ***only "1 is definitely under 18*** still, and ***I think*** there is another minor." *See* Tab 25, September 23, 2007 Email from M. Villafana to J. Lefkowitz (emphasis added).

19. The next day, AUSA Villafana retreated from the number "40," stating that she had now "compiled a list of ***34 confirmed minor victims with no definition of how they would be considered as such.***. There are six others, whose names we already have, who need to be interviewed by the FBI to confirm whether they were 17 or 18 at the time of their activity with Mr. Epstein." *See* Tab 26, September 24, 2007 Email from M. Villafana to J. Lefkowitz (emphasis added). This statement indicated that, at least the "six others" (and, as it turns out, all those identified except two) had reached the age of majority, and, in fact, no guardian was necessary to represent their interests.

Defense Counsel was Falsely Advised That the Non Prosecution Agreement Would Be Kept Confidential.

20. On September 24, Epstein and the USAO executed a Non Prosecution Agreement.

21. His attorneys asked Ms. Villafana to "please do whatever you can to keep this from becoming public." *See* Tab 27, September 24, 2007 Email from J. Lefkowitz to M. Villafana.

22. Ms. Villafana replied that she had "forwarded your message **only to** Alex [Acosta], Andy [Lourie], and Rolando [Garcia]. I don't anticipate it going any further than that." *Id.*

23. Ms. Villafana stated that the agreement would be "placed in the case file, which will be kept confidential since it also contains identifying information about the girls." *Id.*

The Prosecution Immediately Notifies Three Plaintiffs That Mr. Epstein Has Executed A Non Prosecution Agreement

24. In direct violation of these representations, "shortly after the signing," the government notified "three victims" of the "general terms" of the Non Prosecution Agreement. *See*

Tab 18, December 13, 2007 Letter from M. Villafana (admitting that the notification occurred "shortly after the signing").

AUSA Villafana Misleads Mr. Epstein In An Attempt To Refer Plaintiffs to Her Boyfriend's Close Friend

25. On September 25, Ms. Villafana recommended a local products-liability defense attorney, Humberto "Bert" Ocariz, Esq., for the highly lucrative post of attorney representative for the government's list of as-yet-undisclosed "victims."[4]

    (a) Ms. Villafana wrote to the defense, "I have never met Bert, but ***a good friend in our appellate section*** and one of the district judges in Miami are good friends with him and recommended him." *See* Tab 28, September 25, 2007 Email from M. Villafana to J. Lefkowitz (bottom email) (emphasis added).

    (b) Ms. Villafana failed to disclose that this "***good friend*** in our appellate section" was her ***live-in boyfriend***. *See* Tab 18, December 13, 2007 Letter from M. Villafana (conceding the "relationship" with "my boyfriend").

    (c) Beyond her clear conflict-of-interest and affirmative effort to conceal it, it is unimaginable that AUSA Villafana would have engaged in an *ex-parte* communication with a United States District Judge in the same district about the details of a pending grand-jury investigation without prior disclosure and supervisory approval.

    (d) Later, it became clear that Ms. Villafana also had at least one other *ex-parte* communication with that same United States District Judge about the grand jury's investigation. *See* Tab 29, October 5, 2007 Email from M. Villafana to J. Lefkowitz (stating that "one of the District Judges in Miami mentioned [retired Judge Joseph Hatchett] as a good choice" to decide any fee disputes concerning Epstein's paying for a lawyer to represent the unnamed women in claims against Epstein).

26. The next day, AUSA Villafana advised the defense that she was removing one of the alternatives to Mr. Ocariz from our consideration, on the basis that "one of his partners is married to an AUSA here," and explained that, because of that personal relationship,

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[4] These actions were improper. As you know, the Department prohibits employees from using any nonpublic information to secure private benefits of any kind: "An employee ***shall not ... allow the improper use of nonpublic information to further his own private interest or that of another, whether through advice or recommendation, or by knowing unauthorized disclosure.***" 5 C.F.R. § 2635.703 (emphasis added). Among the examples of prohibited disclosure specifically illustrated by this regulation is the disclosure of nonpublic information to "friends" to further their financial interests, *id.*, at Example 1, and the disclosure of nonpublic information to a newspaper reporter, *id.*, at Example 5 (see allegations below regarding the leak to the *New York Times*). Furthermore, the Justice Department prohibits its employees from using their position to benefit friends or relatives. *See* 5. C.F.R. § 2635.702; *see also* 5. C.F.R. § 2535.502.

"[t]here is too great a chance of an appearance of impropriety." *See* Tab 28, September 26, 2007 Email from M. Villafana to J. Lefkowitz.

27. The following day, Ms. Villafana relayed that, and asked us to respond to, the very first concern raised Mr. Ocariz, which was "how are they going to get paid" and whether "there is any cap or other limitation on attorney's fees that [Epstein] will pay in the civil case." *See* Tab 30, September 27, 2007 Email from M. Villafana to J. Lefkowitz.

28. Ms. Villafana clearly contemplated that Mr. Epstein would be paying for Mr. Ocariz at his "hourly rate" to represent the alleged "victims" against Epstein even "if all [the] girls decide they want to sue." *Id.*

29. When the defense complained of Ms. Villafana's undisclosed conflict-of-interest in selecting her boyfriend's friend to prosecute civil claims against Mr. Epstein on behalf of her undisclosed list of purported "victims," Ms. Villafana later argued that Mr. Epstein had no right to complain because "the Non-Prosecution Agreement vested the Office with the exclusive right to select the attorney representative." *See* Tab 18, December 13, 2007 Letter from M. Villafana. Shortly after being notified, however, United States Attorney Acosta removed Mr. Ocariz from consideration, and requested an amendment to the Non Prosecution Agreement.

30. In response to the many complaints about Ms. Villafana's misconduct and violations of the United States Attorney's Manual, Criminal Division Chief Matthew Menchel characterized her as "unsupervisable."

31. Contrary to the express agreement of United States Attorney Acosta that the federal government would not interfere in the administration of any state sentence, FAUSA Sloman continued to try to deny the right of the State to issue work release and/or gain time by stating that Mr. Epstein must "make a binding recommendation that the Court impose" a sentence of 18 months of continuous confinement in the county jail. *See* Tab 21, September 24, 2007 Non Prosecution Agreement. Shortly thereafter, Mr. Sloman sent the FBI to meet with the state sex-crimes prosecutor in an attempt to secure her commitment to oppose a work release option.

FAUSA Sloman Attempts to Thwart Discovery

32. On October 31, Mr. Sloman emailed Mr. Epstein's counsel, confirming that "I understand that the plea and sentence will occur on or before the ***January*** 4th [2008] date." *See* Tab 41, October 31, 2007 Email from J. Sloman to J. Lefkowitz (emphasis added).

33. On November 5, despite Mr. Sloman's having sent that email just one week before, after learning that the defense had begun to question women on their "list," Mr. Sloman wrote Mr. Epstein's attorneys demanding that his plea and sentencing in the State case now ***be moved up to November*** 2007. *See* Tab 2, November 5, 2007 Letter from J. Sloman.

34. Mr. Sloman further demanded in the letter that Mr. Epstein's attorneys "confirm that there will be no further efforts to contact any victims" until the victims are represented by counsel. *Id.* As the women were all adults, there could be no lawful justification for Mr.

Sloman's demand, other than to protect prospective plaintiffs from being interviewed prior to their retaining an attorney (including, as it turned out, Mr. Sloman's former law partner) to bring civil lawsuits against Epstein.

35. Mr. Sloman also demanded that Epstein "begin his term of incarceration not later than January 4, 2008," *id.*, which turned out to be just three weeks before the first civil lawsuit would be filed against Epstein.

36. Contrary to the express agreement of United States Attorney Acosta that the federal government would not interfere in the administration of any state sentence, Mr. Sloman tried to limit gain time and or work release by stating that Mr. Epstein must "make a binding recommendation that the Court impose a sentence of 18 months of continuous confinement in the county jail." *Id.* (This followed Mr. Sloman's position that the Office would consider a state sentence ordering probation in lieu of incarceration to be a breach of the deferred-prosecution agreement.) Shortly thereafter, Mr. Sloman sent the FBI to meet with the state sex-crimes prosecutor in an attempt to secure her commitment to oppose work release.

37. Mr. Sloman insisted that Mr. Epstein not learn the identities of the government's list of alleged "victims" *until after Epstein was sentenced and incarcerated.*

38. We have reason to believe that, around this same time, Mr. Sloman's former law partner, Jeffrey Herman, had met with the father of one of the prospective plaintiffs, Saige Gonzalez.[5] At the same time (and until as recently as March of 2008), the Official Florida Bar website continued to identify Mr. Sloman as a named partner in Mr. Herman's firm. *See* Tab 31, Florida Bar Website page.

39. Mr. Herman, who is the named partner in the former firm of Herman, Sloman, & Mermelstein, filed five lawsuits, each asking for $50 million, against Mr. Epstein. Each lawsuit is entitled "*Jane Doe #_* vs. Jeffrey Epstein," despite the fact that each of the plaintiffs is an adult and not entitled to plead anonymously. *See* Tab 32, Examples of Federal Complaints.

40. Mr. Herman convened press conferences contemporaneously with filing three of the suits. In the most recent press conference, he admitted that all of the plaintiffs lied to Epstein about their ages. *See* Tab 33, Herman Public Statement. One of the supposedly traumatized "victims" actually pled in her complaint that she returned to Epstein's house "on many occasions for approximately three years." Another of these supposedly traumatized "victims" herself acted to introduce her friends and acquaintances to Mr.

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[5] The Justice Department rules disqualify employees from working on matters in which their former employers have an interest: "***an employee shall be disqualified for two years from participating in any particular matter in which a former employer is a party or represents a party if he received an extraordinary payment from that person prior to entering Government service.*** The two-year period of disqualification begins to run on the date that the extraordinary payment is received." 5 C.F.R. § 2635.503(a) (emphasis added).

Epstein. All of these plaintiffs are apparently on the above-described government "victim" list.

FAUSA Sloman Attempts to Encourage Civil Suits and the Hiring of the Government's Choice of Attorney

41. On November 27, Mr. Sloman sent an email to Mr. Epstein's attorneys stating that "I intend to notify the victims by letter after COB Thursday [two days later]." *See* Tab 34, November 27, 2007 Email from J. Sloman to J. Lefkowitz.

42. The morning of November 28, attorneys for Mr. Epstein faxed a letter to Assistant Attorney General Alice Fisher, requesting a meeting with her to discuss the impropriety of the USAO's encouraging civil lawsuits against Mr. Epstein under the guise of the terms of the Non Prosecution Agreement. *See* Tab 35, November 28, 2007 Letter from K. Starr to A. Fisher.

43. Late in the day on November 28, Epstein's attorneys received from AUSA Villafana a copy of the USAO's proposed victim-notification letter that "***Jeff [Sloman]*** asked that I forward." *See* Tab 36, November 28, 2007 Email from M. Villafana to J. Lefkowitz.

    (a) The proposed victim-notification letter cited as authority the "Justice for All Act of 2004" (which U.S. Attorney Acosta later agreed had no application to these circumstances). It referred to the addressees as minor "victims," suggested they make statements in state court, that they were not entitled to make, and referred incorrectly to Mr. Epstein as a "sexual predator." *Id.*

    (b) FAUSA Sloman also proposed advising recipients, in an underlined sentence that, "You have the absolute right to select your own attorney" to "assist you in making . . . a claim" for "damages from [Epstein]." But that "[i]f you do decide to use [two attorneys selected by the U.S. Attorney's "special master"] as your attorneys, Mr. Epstein will be responsible for paying attorney's fees incurred during the time spent trying to negotiate a settlement." *Id.*

The USAO Leaks Confidential Information to the *New York Times*

44. Perhaps most troubling of all, the USAO has repeatedly leaked information about this case to the media—including to Landon Thomas, the senior business correspondent for the *New York Times*. We have personally reviewed Mr. Thomas's own notes, and they are remarkably detailed about highly confidential aspects of the prosecution's theory of the case and the plea negotiations.

45. Mr. Thomas's calls to the USAO initially were referred to Assistant United States Attorney David Weinstein. AUSA Weinstein informed Mr. Thomas that federal authorities were considering charging Mr. Epstein under 18 U.S.C. §§ 1591, 2422 and 2423, and told the reporter that Mr. Epstein had both lured girls over the telephone and traveled in interstate commerce for the purpose of engaging in sex with minors. AUSA Weinstein also divulged the terms and conditions of the USAO's negotiations with Mr. Epstein—including the fact that Mr. Epstein had proposed "house arrest" with extra

stringent conditions—which Mr. Weinstein could only have learned from FAUSA Sloman, AUSA Villafana or United States Attorney Acosta himself.

46. AUSA Weinstein then asked why Mr. Epstein should ... be treated differently than anyone else. Mr. Thomas apparently stated that he understood that there was evidence that the women had lied about their ages. AUSA Weinstein replied that this was not a defense and that Mr. Thomas should not believe "the spin" of Mr. Epstein's "high-priced attorneys." Indeed, Mr. Weinstein told Mr. Thomas that the USAO was very concerned about a Palm Beach editorial that questioned whether Mr. Epstein would receive a rich man's justice. AUSA Weinstein then stated that, in fact, Mr. Epstein "doesn't have a defense."

47. Mr. Epstein's attorneys learned of the call and complained to the USAO. Counsel for Mr. Epstein then had an in-person meeting with FAUSA Sloman and United States Attorney Acosta describing these leaks to the *New York Times*. During Mr. Thomas' next call to the USAO, made two weeks later, AUSA Weinstein "admonished" him (in the words of Mr. Thomas) for disclosing the contents of their prior conversation to the defense, and strongly "reminded" Mr. Thomas that AUSA Weinstein's prior comments about Mr. Epstein had only been "hypothetical" in nature. That claim is sheer nonsense: AUSA Weinstein had disclosed specific details of Mr. Epstein's case, including plea terms proposed by the defense, as revealed based on Mr. Thomas's own contemporaneous hand-written notes.

48. Shortly thereafter, Mr. Sloman wrote to the defense that Mr. Thomas was given, pursuant to his request, ***non-case specific information*** concerning ***specific*** federal statutes." *See* Tab 37, February 27, 2008 Email from J. Sloman. Again, that claim was utterly false; Mr. Thomas's contemporaneous hand-written notes, reviewed by Jay Lefkowitz, confirm that the USAO had violated settled Department policy and ethical rules by providing case-specific information about the Department's legal theories and plea negotiations.

Conclusion

We bring these difficult and delicate matters of misconduct to your attention not to require any disciplinary action or review by the Office of Professional Responsibility. Although we have been told that some of this misconduct has been self-reported (only after we raised these complaints in writing), we feel confident that not all the facts were adequately presented. Rather, we believe that they are highly relevant to your decision whether to authorize a federal prosecution in this case. This pattern of overzealous prosecutorial activity strongly suggests improper motives in targeting Jeffrey Epstein, not because of his actions (which are more appropriately the subject of state prosecution), but, rather, because of who he is and who he knows. We also bring this pervasive pattern of misconduct to your attention because we believe it taints any ongoing federal prosecution. The misconduct pervades the evidence in this case. The offers of financial inducement to witnesses, improperly encouraged by the government, make their potential testimony suspect. The reliance on tainted evidence gathered by the state will require a careful sorting out of poisonous fruits.

Most important, however, is that the extraordinary nature of this misconduct, so unusual in ordinary federal prosecutions, raises the gravest of concerns about why prosecutors would go to such lengths in a case already being prosecuted by the State and with so little, if any, federal concern. Accordingly, we ask you to conduct your own investigation of these matters, because we believe that what we have provided you may constitute only the tip of a very deep iceberg. Without the power of subpoena, which we currently lack, we are unable to dig deeper. We strongly believe that there is far more exculpatory evidence that has not been disclosed, more leaks that we have not yet uncovered and more questionable behavior. This is a case that cries out for a deeper investigation than we are capable of conducting, before any decision to prosecute is permitted.

RESPONSE TO FAUSA SLOMAN'S LETTER

KIRKLAND & ELLIS LLP
Response to Letter by FAUSA Sloman Dated May 19, 2008

In a May 19, 2008 letter to Jay Lefkowitz (*See* Tab 1), SDFL First Assistant U.S. Attorney Jeffrey Sloman provided what purported to be a summary of the events that have occurred during the investigation of Mr. Epstein. Mr. Sloman's letter is fraught with inconsistencies, false and misleading characterizations and outright falsehoods. The comparison below between the false assertions in Mr. Sloman's letter and what actually transpired is only the tip of the iceberg. We respectfully submit that Mr. Sloman's letter alone demonstrates the degree to which the record of facts have been distorted and these distortions have permeated this unprecedented investigation.

1. "INDEPENDENT" AND "DE NOVO" REVIEW.

Mr. Sloman's Letter:

- "[W]e obliged your request for an independent *de novo* review of the investigation and facilitated such review at the highest levels of the Department of Justice. " Tab 1, May 19, 2008 Letter from J. Sloman, p. 5, ¶ 3.

The Truth:

- CEOS' review, concluded in May 2008, was neither independent nor *de novo*.
  - CEOS' review was not "independent:"
    - Drew Oosterbaan, who conducted the review on behalf of CEOS, ***had already reviewed the prosecution memo on this matter eight months earlier***. During a meeting with defense counsel at the United States Attorney's Office in Miami (the "USAO") in September of 2007, he opined that he so believed in the prosecution that he "***would try the case myself.***"
    - Indeed, Mr. Sloman acknowledges that Mr. Oosterbaan had previously opined on this matter, stating:

      > This particular attack on this statute [18 U.S.C. § 2242(b)] had been ***previously*** raised and thoroughly considered ***and rejected by . . . CEOS*** prior to the execution of the [Deferred Prosecution] Agreement [in September 2007].

      Id., p. 5 (emphasis added).
    - The statute Mr. Sloman referred to (§ 2422(b)) lies at the heart of the Epstein investigation. Thus, according to Mr. Sloman, Mr. Oosterbaan was tasked with ***reviewing his own prior decision*** regarding applying the key statute under which the SDFL proposed prosecuting Mr. Epstein.

    - The defense immediately raised concerns regarding the non-independence of the review when told that it would be Mr. Oosterbaan tasked with providing the review, but was told that when Mr. Oosterbaan rendered his prior opinion, "he was not really up to speed on the facts"

  - CEOS' review was not *de novo*:

    - By letter dated May 15, 2008 (four days before Mr. Sloman's letter), Mr. Oosterbaan advised Mr. Lefkowitz that CEOS reviewed the matter only for ***abuse of discretion***:

      > ***[T]he question we sought to answer*** was whether U.S. Attorney Acosta would ***abuse his discretion*** if he authorized prosecution in this case.

      See Tab 38, May 15, 2008 Letter from D. Oosterbaan, p. 1 (emphasis added). *See also*, *id.*, p. 2 ("Mr. Acosta would not be ***abusing his discretion*** if he decided to pursue such a course of action."); and p. 5 ("Mr. Acosta would not be ***abusing his*** prosecutorial ***discretion*** should he authorized federal prosecution of Mr. Epstein.").

    - For the factual record of its "abuse of discretion" review, CEOS relied on the very same prosecution memo that it had already reviewed in rendering its prior opinion, stating:

      > As you know, our review of this case is limited, both factually and legally. We have not looked at the entire universe of facts in this case.

      See Id., p. 1 (emphasis added).

    - Nor did CEOS review any facts related to the irregular provisions in the Deferred Prosecution Agreement or the numerous complaints of prosecutorial misconduct, both of which are inextricably intertwined with the impropriety of the investigation. *Id.* at 1.

2. NOTIFICATION OF WITNESSES.

Mr. Sloman's Letter:

- Mr. Sloman dismissed the totality of the defense's objections to the inappropriate notification the SDFL proposed to send to its witnesses, stating merely that:

  > "[Y]ou objected to victims['] being notified of ***time and place*** of Epstein's state[-]court sentencing hearing."

See Tab 1, May 19, 2008 Letter from J. Sloman, p. 4, ¶ 1.

The Truth:

- The defense engaged in days of negotiation and made 14 separate ***substantive*** objections to the unprecedented notification letter that Mr. Sloman threatened to send to an undisclosed list of "victims." The eventual transmission of this highly misleading letter was only halted by an appeal to AAG Fisher. Among those substantive objections (which related to far more than the "time and place" of the state's sentencing hearing) were:
    - Sending the letter would contravene the government's commitment to take no position regarding potential claims of government witnesses. *See* Tab 39, November 28, 2008 Email from J. Lefkowitz to J. Sloman.
    - The letter cited to an inapplicable statute (the Justice for All Act of 2004) as its justification for being sent. *Id.* AUSA Acosta later conceded that the citation to this statute as a justification was wholly incorrect.
    - The letter wrongly advised all recipients that Mr. Epstein would be required to register as "a ***sexual predator*** for the remainder of this life."
    - The letter amounted to an invitation to civil litigation against Mr. Epstein, advising recipients that they had the right to seek civil damages from Mr. Epstein, and in an underlined instruction, stated that if they chose an attorney other than the one chosen by the government they would be required to pay his fees, but if they chose the government's choice, Mr. Epstein would be required to pay the fees.

3. MISCHARACTERIZATION OF OUR ARGUMENTS.

Mr. Sloman's Letter:

- Mr. Sloman's letter misleadingly characterizes our substantive defense of the government's investigation as, "the investigation merely produced evidence of relatively innocuous sexual conduct with some minors who, unbeknownst to Mr. Epstein, misrepresented their ages."

  See Tab 1, May 19, 2008 Letter from J. Sloman, p. 2.

The Truth:

- We never made such a claim. To the contrary, we argued that sworn statements we have taken of the alleged victims demonstrate that law enforcement has presented versions of their testimony that are necessarily sensationalized and fictionalized. We presented evidence that Mr. Epstein routinely and daily receives massages from adults. Only a small percentage of the masseuses turned out to be minors. The majority of those minors interviewed by law enforcement admitted to lying directly to Epstein about their ages (not "unbeknownst to Epstein"), and inventing further false details to substantiate their lies. Indeed, the civil attorney for several of these women admitted at his recent press conference that they lied to Mr. Epstein about their ages. Numerous witnesses testified that Mr. Epstein asked that all masseuses be over the age of 18. Further, the evidence is undisputed that Mr. Epstein's assistants scheduled the massages and Mr. Epstein did not know which masseuses his assistants had scheduled on a particular day, until the massage took place. We admitted that there was sexual conduct, and argued—not that it was "innocuous" as Mr. Sloman alleges—but that it was mostly Mr. Epstein's own self-pleasuring, which did not satisfy the requisite federal element of criminal sexual conduct (which is, in turn, defined by state law). These are important distinctions and show that Mr. Sloman has misrepresented the record about the most basic part of our defense.

4. SLOMAN DEMANDS AN UNREALISTIC DEADLINE TO COMPLY WITH AN AGREEMENT HE UNILATERALLY MODIFIES.

Mr. Sloman's Letter:

- "Unless [Mr. Epstein] complies with all of the terms and conditions of the [Deferred Prosecution] Agreement, ***as modified by the United States Attorney's December 19, 2007 letter to Ms. Sanchez*** by close of business on Monday, June 2, 2008, the SDFL will elect to terminate the Agreement." *Id.*, p.1

The Truth:

- The Deferred Prosecution Agreement was **never** modified by U.S. Attorney Acosta's December 19, 2007 letter. Oddly, Mr. Sloman acknowledges this on page 4 of his May 19 letter, where he writes that Mr. Acosta "proposed" this modification and that "[Mr. Lefkowitz] rejected these proposals." Thus, Mr. Sloman is threatening to terminate the Deferred Prosecution Agreement, unless Mr. Epstein complies with a unilateral modification that Mr. Sloman concedes was never agreed to by defense counsel.

- Orchestrating the information, plea and sentencing requirements of the Deferred Prosecution Agreement within the extremely limited two-week timeframe imposed by Mr. Sloman's June 2, 2008 deadline would have been difficult enough.

- More importantly, as explained below, the SDFL has refused to provide the defense with information it requires to enable Mr. Epstein to comply with the additional plea and sentencing requirements of the Deferred Prosecution Agreement (let alone, by the June 2 deadline arbitrarily imposed by Mr. Sloman).

    - The Deferred Prosecution Agreement requires Mr. Epstein to plead guilty to and be sentenced for an additional offense which requires that he be registered as a sex offender. In different places in his May 19, 2008 letter, Mr. Sloman describes the additional charge to which Mr. Epstein is required to plead guilty under the Deferred Prosecution Agreement as "procurement of minors to engage in prostitution" or "solicitation of minors to engage in prostitution." The former is an offense for which Mr. Epstein would be required to register, but one for which the state has no evidence to charge Mr. Epstein and the SDFL refuses or is unable to provide evidence that it claims it has. The latter requires no registration, but it is the offense which, over and over again, Ms. Villafana insisted upon including in the Deferred Prosecution Agreement, and is one which the State believes is appropriate. The inconsistency between the description of the offense required by the SDFL, the elements of an offense that can be justified on the facts of this case and the SDFL's requirement that the offense be a registrable one has created substantial confusion.

  - As a result of this confusion, in December 2007, both the defense and the state requested that the SDFL provide the factual allegations to enable Mr. Epstein and the State to create a truthful factual recitation of a registrable offense required by the Deferred Prosecution Agreement, but, to date, the SDFL has failed to do so without any explanation.

- Mr. Sloman refuses to provide the requested factual allegations, which the State cannot furnish, and now demands a two week deadline to comply. Thus Mr. Sloman has unreasonably imposed a deadline with which he himself has made it impossible for Mr. Epstein to comply.

5. WAIVER OF APPEAL TO ASSISTANT ATTORNEY GENERAL FISHER.

Mr. Sloman's Letter:

- "[T]he SDFL provided you with 30 days to appeal the decision to the Assistant Attorney General of the United States Alice Fisher" and "you chose to forego an appeal to AAG Fisher."

  Id., p. 2.

The Truth:

- Mr. Acosta tolled an August 17 deadline, acknowledging that there were "serious issues" about the case that needed to be discussed, and scheduled a meeting with the defense for September 7, 2007. At the September 7, 2007 meeting, with Drew Oosterbaan in attendance, the government dismissed the defense's objections and set a September 21, 2007 deadline to finalize a non-prosecution agreement or the defense would face an already-drafted 53-page indictment, purportedly identifying 40 minors, with a guideline range of 188 months.

- Facing Ms. Villafana's threatened draconian indictment, without the claimed offer of the right to raise objections in an appeal to AAG Fisher, the defense chose to negotiate an

Agreement to Defer Prosecution to the State, an agreement without precedent and fraught with substantial practical and legal hurdles to its implementation.

6. THE SDFL DID NOT DEFER TO THE STATE.

Sloman's Letter:

- "[T]he SDFL indicated a willingness to defer to the State the length of incarceration."

  Id., p. 2.

The Truth:

- The SDFL neither deferred to the State, nor even discussed with the State, the length of Mr. Epstein's incarceration. In a letter to the defense, Criminal Division Chief, Matthew Menchel rejected the sentence contemplated by the State's plea agreement, writing that "the federal interest will not be vindicated in the absence of a ***two-year term*** of state imprisonment." *See* Tab 40, August 3, 2007 Email from M. Menchel. Of course, this position is contrary to Section 9-2031D of the U.S. Attorney's Manual (indicating that the "result" of a state prosecution is "***presume[d]***" to have vindicated the federal interest). It is understandable, therefore, that Mr. Sloman might want to retreat from it now. Indeed, the final Deferred Prosecution Agreement (DPA) restricts the state-court judge from exercising any of his rightful discretion and to specifically prohibit the judge from offering probation, community control or any other alternative in lieu of incarceration. DPA, ¶ 2(a).

7. SUGGESTION OF ADDITIONAL STATE PLEA

Mr. Sloman's Letter:

- The parties considered: "as suggested by [the defense], a plea to state charges encompassing Epstein's conduct." *See* Tab 1, May 19, 2008 Letter from J. Sloman, p.2, ¶ 2.

The Truth:

- It was the government, and not the defense, that suggested a plea to state charges to resolve the federal investigation. Andrew Lourie proposed declining prosecution in favor of the state. Although Mr. Epstein and the State Attorney's Office ***had already reached a plea agreement***, in August 2007, Mr. Sloman and AUSA Marie Villafana warned that they intended to prosecute Epstein federally unless his counsel (*i.e.*, not the U.S. Attorney's Office) sought ***more stringent conditions*** to the State's proposed plea agreement. These stringent conditions included, among other things, the two-year prison term demanded by Mr. Menchel (discussed above) and a charge requiring him to register as a sex offender.

8. ALL IDENTIFIED VICTIMS BE PUT IN SAME POSITION AS IF EPSTEIN HAD BEEN TRIED.

Mr. Sloman's Letter:

- "The Agreement provides for a method of compensation for the victims such that they would be placed in the same position as if Epstein had been convicted of one of the enumerated offenses set forth in Title 18, United States Code Section, 2255."

  Id.

The Truth:

- Mr. Sloman continues to mischaracterize the highly irregular provisions of the Deferred Prosecution Agreement. The SDFL did not merely attempt to preserve the compensation rights of those it identified as victims; it attempted to create compensation rights for those it identified, without imposing on them the burden of proving that they were in fact victims under § 2255.
    - In the Deferred Prosecution Agreement, the SDFL required Mr. Epstein to waive the right to contest liability under 18 U.S.C. § 2255 as to a list of individuals that the SDFL would not disclose to Mr. Epstein until after he was sentenced and to pay for an attorney to secure compensation under § 2255 for those undisclosed individuals, or if they decided to sue Mr. Epstein.
    - § 2255 ordinarily provides individuals with a right to recover minimum guaranteed damages of $150,000, without having to prove actual damages, only if: (1) they were victims of an enumerated federal offense, including offenses under 18 U.S.C. §§ 2422 and 2423, (2) they were minors at the time of the offense, and most importantly (3) they were personally injured as a result of the offense.
    - The defense has confirmed examples of women who testified that they were not victims of Mr. Epstein and suffered no personal injury. These women were, nevertheless, on the list of "victims" identified by the government. . In fact, when confronted with the testimony of a women who denied both being a victim and incurring personal injury, Ms. Villafana actually acknowledged such testimony. To justify inclusion of that woman on the government's list, however, Ms. Villafana then challenged her own witness's credibility.
- For this reason, it is false to state that these "identified" individuals are in the same position that they would have been had Epstein been convicted at trial. Had there been a trial, Mr. Epstein would have had a right to confront these individuals through cross-examination. Any individual that did not establish that she was a minor victim of conduct that satisfied each element of an enumerated statute under § 2255,or that she suffered personal injury, would not qualify for any treatment under § 2255. However, under the Deferred Prosecution Agreement, as an "identified individual" on the government's list,

this same individual would nevertheless be entitled to engage an attorney paid for by Mr. Epstein to recover $150,000 of damages from Mr. Epstein under § 2255 without ever alleging any injury. In fact, the defense was told that the only question Mr. Epstein would be permitted to ask before paying the girls is " have you ever met Epstein.". Thus, the Deferred Prosecution Agreement places identified individuals in a far better position than they would be in if Mr. Epstein were convicted at trial.

9. ASSIGNMENT OF RIGHT TO SELECT LEGAL REPRESENTATIVE.

Mr. Sloman's Letter:

- "Prior to any issues arising concerning the implementation of the 2255 provision, the SDFL unilaterally agreed to assign its responsibility to select the attorney representative for the alleged victims to an ***independent*** third-party."

  See Tab 1, May 19, 2008 Letter from J. Sloman, p. 4, f.3.

The Truth:

- That such an assignment was the SDFL's "***unilateral***" decision is false. Before the SDFL decided to assign selection of the "attorney representative" to an independent third party, AUSA Marie Villafana had already proposed an "attorney representative." She had proposed local products-liability lawyer, Humberto Ocariz, and claimed he had been recommended by a "good friend in the Appellate Division." Ms. Villafana's account was misleading, as it omitted that this "good friend" was her live-in boyfriend, and that Mr. Ocariz was his former law-school roommate. When we discovered this independently, we objected. Only then did the SDFL propose assigning the selection process to an independent special master and agree to amend the Deferred Prosecution Agreement. Thus, while it may be true that the SDFL assigned its selection responsibility to avoid the appearance of favoritism, it did not do it "***unilaterally***," but, rather, only after Epstein uncovered the Office's misleading disclosure and apparent conflict-of-interest.

10. TIMETABLE FOR MOVING FORWARD.

Mr. Sloman's Letter:

- "On February 25, 2008, I sent you an e-mail setting forth a timetable for moving forward in the event that CEOS disagreed with your position. That time is now."

  Id., p. 6.

The Truth:

- Mr. Sloman provides only part of the history of this case in order to justify his improper actions. He had stated he would close the investigation if CEOS told him to. However, CEOS at our very first contact said that under no circumstances did they see that as their role. They said they would only advise on an abuse of discretion standard. Making the outcome a foregone conclusion. Furthermore, in response to the February 25 e-mail, which attempted to establish a schedule to limit the entire review process (the defense has repeatedly suggested that the misconduct was intertwined with the investigation and would therefore seek higher review), Mr. Lefkowitz e-mailed Mr. Acosta directly. On February 29, 2008, Mr. Sloman responded to Mr. Lefkowitz's e-mail to Mr. Acosta, stating that Mr. Sloman was acting out of frustration, but "[p]lease be assured that it has not, and never has been, this Office's intent to interfere or restrict the "review process" for either Mr. Epstein or CEOS. I leave it to you and CEOS to figure out how best to proceed and will await the results of that process." As stated above, CEOS determined that it would not review many of the defense's objections and as to the remainder of those objections, its review would be limited (contrary to Mr. Acosta's assurances), which left the need, supplemented by the defense's subsequent request, for a more thorough review of critical issues by others at the Department of Justice. Mr. Sloman's re-imposition of the (albeit modestly extended) timetable was an obvious attempt, in violation of his February 29 agreement, to thwart the request made by the defense to the Deputy Attorney general, to complete the review process that Mr. Acosta had promised.

11. "DELAY."

Mr. Sloman's Letter:

- In a section entitled *"Delay,"* Mr. Sloman states that "the SDFL again agreed to accommodate Epstein's request to appear in state court for plea and sentencing on January 4, 2008."

  Id., p. 3.

The Truth:

- Curiously, Mr. Sloman fails to mention correspondence from the U.S. Attorney stating that delay of that date would be "inevitable" as the defense has raised "serious questions" about the propriety of the prosecution. Strikingly, in that same section, Mr. Sloman claims that "the Agreement ***did not contemplate a staggered*** 'plea and sentencing,'" despite quoting, three sentences earlier, from the Agreement's ***staggered requirement*** that Epstein plead and be sentenced by October 26, and "begin serving his sentence not later than January 4, 2008."

* * *

We are, like most attorneys seeking Department review, without access to the USAO prosecution summaries or other submissions to the Department. Given the substantial issues that have been raised in this and other submissions, we request that you conduct a de novo review that goes beneath the face of any conclusions being advocated by the USAO; instead, we seek a review that is based on the transcripts of witness testimony themselves so that the reviewer can make an independent decision not adversely affected by conclusions that over and over have proven, witness by witness, allegation by allegation, to be inaccurate and unwarranted and not an appropriate basis for the exercise of federal prosecutorial authority.

THACKER RESPONSE TO CEOS'S LETTER

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June 19, 2008

Mr. John Roth
Senior Associate Deputy Attorney General
Office of the Deputy Attorney General
United States Department of Justice
950 Pennsylvania Avenue, N.W.
Washington, D.C. 20530

Dear Mr. Roth:

I write to offer my reaction to the May 15, 2008 correspondence from the United States Department of Justice Child Exploitation and Obscenity Section ("CEOS") regarding the federal investigation of Jeffrey Epstein by the United States Attorney's Office for the Southern District of Florida ("USAO").[1] I will refrain from recounting Mr. Epstein's arguments in detail here, but, rather, will highlight salient points responsive to the CEOS letter.

In particular, I write from a background well familiar with child exploitation cases and victim/witness issues. As the CEOS letter points out (CEOS letter at p. 3), I was a member of CEOS. In fact, I served as a federal prosecutor for twelve years; five years as an Assistant United States Attorney for the Southern District of West Virginia, and seven years at CEOS. I began working as a trial attorney for CEOS in 1999, and was promoted to Deputy Chief for Litigation in 2002, and ultimately to Principal Deputy Chief for the Section in 2004.

As those who have worked with me know, I have a history of working diligently on behalf of victims of crime. While at the United States Attorney's Office for the Southern District of West Virginia, I was a part of the prosecution team that prosecuted the first case in the country under the federal Violence Against Women Act. United States v. Bailey, 112 F.3d 758 (4th Cir.), cert denied, 522 U.S. 896 (1997). The case went to trial and the defendant was sentenced to life in prison. I also spearheaded the domestic violence and federal criminal child support prosecution efforts for that office, prosecuting some of the first cases in the country under the federal Child Support Recovery

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[1] Citations to the May 15, 2008 correspondence will be referenced herein as "CEOS letter at p. ___."

Act. Later, while at the Department of Justice, I co-authored the Department's Federal Child Support Prosecution Handbook.

My work at CEOS permitted me to continue my efforts on behalf of vulnerable victims of crime. While there, for example, I was part of the prosecution team in United States v. Dwight York, 428 F.3d 1325 (11th Cir. 2005), cert denied, 548 U.S. 908 (2006). York was the leader of a pseudo religious organization, and systematically molested countless children, some as young as six years old. The case went to trial and York was sentenced to 135 years in prison. As part of that trial team, I was awarded the Attorney General's Award for Distinguished Service. Additionally, at CEOS I was one of the architects of the Innocence Lost Initiative, a nationwide initiative designed to combat child prostitution. For this, I was awarded an Assistant Attorney General's Award for Outstanding Victim/Witness Service. Likewise, I was awarded a subsequent Assistant Attorney General's Award for Special Initiative in connection with a nationwide sex tourism prosecution initiative I helped to develop.

I say all this not for any boastful purpose, but, rather, to make clear that I am fully cognizant of victim issues, and that I am no pushover in terms of prosecution standards. I am also very well aware of the good work of CEOS, and the outstanding credentials of those who toil in that office.

With all due respect to CEOS, however (and recognizing that their review of this case was quite limited), given the facts and circumstances of this investigation, a federal prosecution of Mr. Epstein simply should not be countenanced. In my view, such prosecution would be counter to the important mandate of the Department of Justice as emblazoned on its seal, "Qui Pro Domina Justitia Sequitur," referring to the Attorney General "who prosecutes on behalf of justice."

As you well know, it is fundamental to that mandate that, as the representative of the people of the United States, the duty of a federal prosecutor is not simply to seek conviction as at any cost, but, rather, to seek justice. Berger v. United States, 295 U.S. 78, 88 (1935). ("The United States Attorney is the representative not of an ordinary party to a controversy, but of a sovereignty whose obligation to govern impartially is as compelling as its obligation to govern at all.") While it is true that Berger was decided at the post-trial, as opposed to the pre-indictment, stage of the case, the bedrock principle contained in the above quote should transcend the entire investigation and prosecution process. Indeed, it is arguably most imperative at the investigation stage, at which point law enforcement is dealing with a presumptively innocent citizen.

In summary, we understand the allegations against Mr. Epstein to be that Mr. Epstein paid individuals to find friends and acquaintances, certain of whom were under the age of 18, to provide topless massages to him at his Palm Beach home in exchange for money. Mr. Epstein's assistants allegedly scheduled these massages for him over the telephone at the direction of Mr. Epstein, allegedly including some scheduling calls to underage women. However, the evidence contradicts these allegations. First, Mr. Epstein did not ask that the masseuses be under the age of 18. To the contrary, he specifically asked that they be 18 or older. As one witness commented, [redacted] **said tell**

them you're 18 because if you're not, he won't let you in his house." [redacted]Tr. at 38-39. Second, Mr. Epstein himself did not schedule such appointments. Third, Mr. Epstein would not know who would be providing a massage at any particular time. Fourth, and importantly, Mr. Epstein's assistants were not directed to contact underage women, and were not aware of the true ages of the women they contacted. In fact, more often than not, the masseuses themselves, or the individuals who introduced the masseuses, made the initial contact. As a result, Mr. Epstein and his assistants were routinely unaware of the identities of many of these young women before they arrived.

The allegations further include the assertion that Mr. Epstein engaged in unlawful sexual conduct with certain underage women who arrived at his house to provide a massage. At times, during these massages, Mr. Epstein masturbated, engaged in some sexual touching, and a small number of alleged acts of penetration. However, most of the women who performed massages on Mr. Epstein were over the age of 18. Many of the young women have sworn under oath that they, in fact, told Mr. Epstein that they were 18 or older, and that they did so because they knew that if they were not 18 years old, they would not be allowed into Mr. Epstein's home. In fact, Mr. Epstein has passed a polygraph examination to this effect relative to the government's primary, and youngest, alleged victim, [redacted] Indeed, many of the women also worked at local massage parlors, which presumably had a requirement that the masseuse have reached the age of majority. To the extent there are allegations that Mr. Epstein should have been alerted to certain underage women based on conversations he allegedly had with them, those conversations would have taken place in person and at his home, thereby precluding any prior scheduling with knowledge of their true ages. As explained below, any factual allegations of repeat massages with such persons would lack necessary elements required for a federal nexus to such conduct.

All of the alleged activity occurred in Mr. Epstein's home in Palm Beach, Florida. Many of the massages allegedly involved conduct which, even if engaged in, is not proscribed by federal law, either because the masseuses were of age, or because conduct with underage masseuses only involved topless massages, massages in undergarments or naked massages. To the extent prohibited sexual activity occurred, any inducement, enticement, and/or persuasion used would have taken place during a face-to-face encounter—thus eliminating the possibility for the commission of a federal crime, which requires the existence of a communication through a facility of interstate commerce in which the defendant persuades or entices the minor to engage in illegal sexual activity. Furthermore, any prohibited sexual activity that did occur based on the facts on the record is best left to the state to address because the facts of this case do not fall comfortably within the federal domain.

This is a case about purely local activity, involving local actors, and affecting local interests and thus, should be handled by local authorities. Nonetheless, the USAO has indicated its intent to prosecute Mr. Epstein for purported violations of 18 U.S.C. §§ 2422, 2423, and 1591. However, as set forth in detail in prior submissions, the facts of this case fall squarely outside the heartland of those statutes – in fact, in law, and in congressional intent. As their plain text and history indicate, these statutes were designed to address problems that are truly national and international in scope: human trafficking in § 1591; telephone or Internet sexual predation in § 2422; and sex tourism in § 2423. Unlike the alleged conduct at issue here, those problems unquestionably present multi-jurisdictional obstacles that States and localities cannot confront effectively on their own. Mr. Epstein's conduct was purely local in nature, and the State of Florida and Palm Beach County are effectively prosecuting and punishing that conduct.

Although CEOS asserts, "that a prosecution of Mr. Epstein might not look precisely like the cases that came before it is not dispositive" (CEOS letter at p. 4), the fact is this case does not look anything like those cases. The facts here do not carry any of the hallmarks that typify an appropriate federal prosecution for child exploitation as reflected in all such prior federal prosecutions. Specifically, the facts here do not carry the hallmarks for a sex trafficking or child prostitution prosecution. Mr. Epstein did not target minors. In fact, the evidence indicates just the opposite. There was no travel in interstate commerce for the purpose of engaging in illicit sexual activity. There was no prohibited use of a facility of interstate commerce. There was no commercial for profit sexual enterprise. There was no force. There was no violence. There was no use of drugs or alcohol. There was no child pornography.

18 U.S.C. § 1591 is clearly designed to combat organized rings of individuals who engage in the business of human trafficking, involving both a commercial and coercive component. As President Bush has noted:

> generally speaking, trafficking in persons refers to actions, often including the use of force, fraud or coercion, to compel someone into a situation in which he or she will be exploited for sexual purposes, which could include prostitution or pornography, or for labor without compensation, which could include forced or bonded labor . . . trafficking in persons is often linked to organized crime, and the profits from trafficking enterprises help fund other illegal activities. The growth of vast transnational criminal networks supported in part by trafficking in persons fosters official corruption and threatens the rule of law.[2]

This in no way describes the case here. Yet the USAO has been unwavering in its single minded focus to stretch the limits of these federal statutes beyond their intended use, and beyond precedent, in order to prosecute Mr. Epstein. As the CEOS letter acknowledges, the legal theories the USAO intends to attempt to pursue against Mr. Epstein are "novel," having never before been sanctioned by federal law. They should not be sanctioned now. As the Supreme Court recently pronounced, when a statutory term in a criminal statute could support both a narrow or broad application of the federal criminal law, "the tie must go to the defendant." United States v. Santos, 553 U.S. ____ and Cuellar v. United States, 553 U.S ____ (June 2, 2008), Slip Op. at 6.

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[2] February 25, 2003 Trafficking in Persons National Security Presidential Directive.

A full and fair review of the facts here is critical to this analysis. Yet, it is clear that CEOS did not conduct such a review. In his recent letter to Jay Lefkowitz, First Assistant United States Attorney ("FAUSA") Jeffrey Sloman confirmed our understanding that the USAO was to have "facilitated" an "independent *de novo* review of the investigation" by the Department. (May 19, 2008 Sloman letter at p. 5). Yet, the CEOS review was not complete, and by its own terms not *de novo*.

As CEOS itself noted, "our review of this case is limited both factually and legally. We have not looked at the entire universe of facts in this case. It is not the role of the Criminal Division to conduct a complete factual inquiry from scratch." (CEOS letter at p. 1). Indeed, entire subject areas relevant to the inquiry were not considered at all by CEOS. In essence, CEOS was only in a position to make the most cursory possible review, an "abuse of discretion" review, without considering the facts at the necessary level of detail, and without taking into account the many and varied issues of misconduct we have raised in this case. As the CEOS letter indicates, "we did not review the facts, circumstances, or terms included in the plea offer nor any allegations that individuals involved in the investigation engaged in misconduct." (CEOS letter at p. 2). All of this begs the question – if it is not CEOS' role to "conduct a complete factual inquiry," and CEOS did not consider any of the allegations of misconduct here, which at the very least have created a strong appearance of impropriety, and, at worst evidence an intent and effort to unfairly prejudice Mr. Epstein to the financial benefit of the friends and colleagues of the prosecution team in the USAO, then where and when can justice ever hope to be served in this case? This is a prosecution burden that cannot, and should not, be brushed aside.

We contend the limited nature of the CEOS review deeply affected its conclusions. For example, CEOS most likely did not review original documents, such as transcripts, and instead relied on the summaries of federal prosecutors and FBI agents, against whom we have raised serious concerns regarding misconduct. If the summary memos from the USAO are as flawed as other USAO communications have been, and which we have been able to show are misleading and inaccurate, the CEOS abuse of discretion review is likely flawed as well. Moreover, although the USAO expected, and personally promised to us, an independent review, FAUSA Sloman's letter also makes clear that our pivotal legal challenge to the use of 18 U.S.C. § 2422(b) had already "been previously raised and thoroughly considered and rejected by . . . CEOS prior to" the recent CEOS review. (May 19, 2008 Sloman letter at p. 5). The fact that CEOS had to evaluate its own decision with respect to some of the allegations against Mr. Epstein prevents its subsequent review and opinion from being truly independent.

Following this most recent CEOS review "limited both factually and legally," and with no citation to any case law relative to the statutes in question, CEOS concludes merely, "federal prosecution in this case would not be improper or inappropriate (CEOS letter at p. 5);" in essence, that the United States Attorney could bring this case in the exercise of his federal discretion should he so choose ("we conclude that U.S. Attorney Acosta could properly use his discretion to authorize prosecution in this case."). (CEOS letter at p. 2). However, CEOS drew the conclusion that the federal prosecution of Mr. Epstein would not be "improper or inappropriate" absent any review at all of the misconduct here, and absent a full review of the facts and law. The facts, the law, and the alleged misconduct are each necessarily inextricably intertwined with the question of whether or not this is a viable federal prosecution. These imposed limits flawed the review from the outset. In any event, CEOS concedes that the defense team makes "many compelling arguments." (CEOS letter at p. 5). In the end, then, one is left with the impression that the CEOS review and opinion, although concluding that the USAO could push forward at its own discretion, is a much qualified one.

The federal prosecution of Mr. Epstein has been a moving target from the inception. Each time the allegations, the witnesses or the applicable law is subject to a searching inquiry, we have found that the allegations have been misrepresented, the law does not apply to the actual facts here, and the USAO prosecution theory falls apart. Yet, in the face of the voluminous evidence we have submitted in this regard, while acknowledging that the theories are "novel," and that our arguments against federal prosecution are "compelling," CEOS concluded, "Mr. Acosta could rightfully conclude that this federal issue is best resolved by a jury" and that "the USAO has a good faith basis to fully develop the facts on this issue and brief the law to permit a court to decide whether the law appropriately reaches such conduct." With all due respect, and recognizing that CEOS may be – and apparently was – limited in its authority, it should not be the prerogative of the prosecution arm of the United States government to simply roll the dice, and let the court system just sort it out when dealing with the life and liberty of a United States citizen. The Department of Justice should not be so cavalier when labeling someone as a child molester. While it may be within the discretion of the USAO to do so, it is not in accord with the principles of justice.

Indeed, as noted, just a few weeks ago, the Supreme Court underscored this point in Santos and Cuellar. The Court made clear that prosecutorial discretion does not provide the USAO cart blanche to expand criminal statutes as they seek to do here with complete disregard for congressional intent. The Court rejected speculation as a basis of determining the scope of a criminal statute; "probability is not a guide which a court, in construing a penal statute, can safely take." Slip op. at 7, quoting United States v. Wiltberger, 5 Wheat. 76,105 (1820). "We interpret ambiguous criminal statutes in favor of defendants, not prosecutors." Slip op. at 12.

Based on my experience, I believe that the facts here do not warrant a federal child exploitation prosecution. At its core, this case is quintessentially a state concern as opposed to implicating any federal interest. Indeed, the Florida State Attorney's Office ("SAO"), led by the chief of the Sex Crimes Division, thoroughly investigated this matter, and presented it to the grand jury. The facts, as opposed to the deeply flawed press reports, were carefully assessed by experienced State prosecutors who aggressively enforce State criminal laws. Following an extensive 15-month State investigation, Mr. Epstein was indicted by a State grand jury on a single felony count of solicitation of prostitution.

During the investigation, the State prosecutor exhaustively reviewed the evidence, met face-to-face with many of the alleged victims, considered their credibility – or lack thereof – and considered the extent of exculpatory evidence, including a psychosexual evaluation of Mr. Epstein and a polygraph examination demonstrating that Mr. Epstein genuinely believed at the time of the alleged conduct that the State's key witness [redacted] was over the age of 18. Then, after months of negotiations, the State reached what it believed was an appropriate resolution of the case. Importantly, this resolution was consistent with that of cases involving other defendants who had engaged in similar conduct. Implementation of the State resolution of the case was held in abeyance, however, due to the unexpected commencement of the successive federal criminal investigation.

While it is true, as CEOS points out, (CEOS letter at p. 3) that many criminal prosecutions turn on issues of credibility of witnesses, to which many members of the defense team can attest (having had decades of federal criminal litigation experience among us), this does not serve to divest the prosecutor of his/her duty to make a searching inquiry of the facts before using the power of prosecution, and the weight of the United States government, to level serious accusations. CEOS likewise acknowledges as much, "the prosecutors are in the best position to assess the witnesses' credibility." (CEOS letter at p. 3).

Since the CEOS letter also singles me out as someone who should be familiar with witness issues, I feel compelled to note that, of course, I am well aware that it is not uncommon for witnesses to give conflicting statements. I am also fully aware that the credibility of key government witnesses may be strongly impacted by the $50 million incentive provided via the civil lawsuits at play, and encouraged by the government here.[3] I have also read many of the conflicts between witness testimony and Detective ReCarey's own rendition of that testimony in his reports and/or search warrant affidavit. Detective ReCarey apparently formed a view early on as to the purported criminality of Mr. Epstein's conduct regardless of the mountain of evidence to the contrary. For a prosecutor that has had an opportunity to review the full facts, and to meet with the witnesses, however, "conflicting statements" cross the line to a "lack of credibility" that simply can not sustain a prosecution. That is where an appropriate application of prosecutorial discretion must be brought to bear.

Again, CEOS was not itself in the position to exercise such discretion. By its own admission, CEOS did not make a full review of the witness statements here, and CEOS certainly did not sit down across the table and speak to these witnesses. We understand that was apparently not its perceived role. But, CEOS should recognize that at least one prosecutor in this case – the Chief of the SAO Sex Crimes Division has done so. Lana Belohlavek not only met with and interviewed these witnesses during the course of the 15-month state investigation prior to any federal involvement, but she again sat across the table from many of them in connection with recent civil depositions in this matter. Ms. Belohlavek, and the SAO, is likewise well familiar with the breadth of the federal investigation, and has integrated that knowledge into the current enhanced state sentencing recommendation. The SAO remains firm in the position that the proposed state resolution is a sound one, and that there was no child exploitation here. Notably, however, not once during the pendency of the federal investigation has the USAO ever reached out to its state prosecutive counterpart that initiated this investigation in the first place to discuss the issues or to thoroughly ferret out the facts or the witness credibility issues.

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[3] It is important to note here that this investigation was launched not upon the complaint of any alleged victim, but, rather, upon the complaint of [redacted] father, [redacted], and her stepmother, [redacted]. More notable still is the fact that [redacted] has been convicted of federal bank fraud, and [redacted] has a state conviction for identify fraud. Hardly pillars of credibility. Yet, the USAO did not supply this information to the defense. Even more telling is the fact that [redacted] filed a $50million lawsuit purportedly on behalf of his daughter without her authority or knowledge.

In the eight lines the CEOS letter accords to the topic of witness credibility CEOS asserts, "there are multiple mutually-corroborating witnesses," (CEOS letter at p. 3). However, the CEOS letter does not highlight a single one. In contrast, we have put forth numerous "mutually corroborating" witness statements. Far from supporting a federal prosecution, these statements instead corroborate that 1) the alleged victims lied to Mr. Epstein about their age; 2) there was no use of a facility of interstate commerce by Mr. Epstein; 3) there was no inducement or coercion; 4) there was no commercial enterprise; and 5) there was no illicit sexual conduct.

Indeed, Mr. Epstein took several steps to ensure that no minors entered his home, most notably, by affirmatively asking the women whether they were actually 18. See e.g. [redacted]Tr. At 38-39. That fact – which many of the potential witnesses have confirmed in sworn interviews – strongly indicates that Mr. Epstein specifically intended ***to preclude*** anyone under 18 from giving him a massage. That fact is confirmed by, among other things, [redacted] testimony that "he likes the girls that are between the ages of like 18 and 20 . . . ." [redacted] Tr. at 12. In fact, the evidence bears out that the majority of the women who came to Mr. Epstein's residence to provide a massage were over 18.

Many of the young women who were aged 16 and 17 visited Mr. Epstein's residence only once or twice, and the evidence strongly shows that they lied to Mr. Epstein about their age. Two of these individuals, [redacted] an[redacted], were 14 and 15 at the time they met Mr. Epstein. Given that each has brought a civil lawsuit against Mr. Epstein, with [redacted] and her family seeking $50 million from Mr. Epstein, their testimony against Mr. Epstein is per se suspect. But, despite their obvious incentive to harm Mr. Epstein, their testimony actually confirms his innocence. [redacted] for instance, has testified that [redacted] who introduced her to Mr. Epstein, expressly told her to lie to Mr. Epstein about her age.

> Q: And [redacted] told you that if you weren't 18 Epstein wouldn't let you into his house, right?
>
> A: That's – yes, yes.
>
> [redacted](deposition) at 32.
>
> Q: You didn't want Mr. Epstein to know that you were lying about your age, right?

A: Correct.

Q: You didn't want Mr. Epstein to know that you were not 18 yet, right?

A: Correct.

[redacted] (deposition) at 36.

In fact, Ms.[redacted]told Mr. Epstein that she was 18 years old, and confirmed this fact with Palm Beach Police. Id. at 36. Beyond that, Ms.[redacted] "swore on her mother's grave" that she and Mr. Epstein did not engage in sex of any kind. [redacted] Tr. (deposition) at 24. She further repeatedly explained that prior to the time she went to Mr. Epstein's house (she went there only once), nobody ever tried to coerce her to engage in sexual activity with Mr. Epstein. Not over the telephone, not over the Internet, not at all. [redacted]Tr. (deposition) at 31-32. These are not facts upon which a federal case can stand.

Ms. [redacted]s age was also unknown to Mr. Epstein when she went to his home. [redacted], who was introduced to Mr. Epstein by Ms[redacted]testified in her federal sworn interview that Ms.[redacted]told her to lie to Epstein. See[redacted] Tr. at 8 (*"she just said make sure you're 18 because Jeffrey doesn't want any underage girls"*) (emphasis added). Ms.[redacted] testimony strongly suggests that Ms.[redacted]ied to Mr. Epstein about her own age as well. Ms. [redacted] also self represented that she worked at a local erotic massage parlor that presumably required a minimum age.

The conduct of [redacted] is likewise illustrative of "mutually corroborating" testimony which supports the fact that this is not an appropriate federal case. In the same way that Ms. [redacted]was referred to Mr. Epstein and brought to his home without having been introduced or acquainted in any manner, Ms.[redacted]was referred by someone else, [redacted], who also told her to lie to Mr. Epstein about her age, which she did. [redacted]Tr. at pp. 8-9).

CEOS seeks to buttress the USAO prosecution by asserting "it is possible to satisfy that element [proof of specific intent as to the age of the alleged victims] with proof that the defendant was deliberately ignorant of facts which would suggest that the person was a minor." (CEOS letter at p. 2). Such assertion is counter to the law and to the facts. Reliance on a deliberate ignorance standard as to any of the three statutes in issue requires the factual predicate of an intent not to learn of an incriminating fact. This is the antithesis of the factual context of this case where there is repeated proof that the minors believed that they had to lie because Mr. Epstein had an actual practice of attempting to verify age, and would not let them in his house if they were under the age of 18. See United States v. Kennard, 472 F.3d 851, 857-858 (11th Cir. 2006), quoting, United States v. Puche, 350 F.3d 1137, 1149 (11th Cir. 2003) (An instruction on deliberate ignorance is appropriate only if it is shown [among other things] . . . that the defendant purposely contrived to avoid learning of all of the facts in order to have a defense in the event of a subsequent prosecution."). Thus, the facts preclude reliance on the concept of deliberate ignorance as a substitute for proof.

The fact that the search warrant affidavit in this case is rife with mis-statements and omissions regarding the key element of age is critical. However, CEOS concludes with no apparent supporting analysis, "despite the numerous factual errors you describe, the U.S. Attorney's Office could still plausibly argue that the mistakes – whether inadvertent or intentional – were not material to the determination . . . ." (CEOS letter at p. 3). Although, as CEOS notes, there are "numerous" such misrepresentations, through affirmative statement or intentional omission, a focus on but one of those misrepresentations highlights that such misrepresentations were, in fact, material. The fact is that Detective ReCarey grossly misrepresented Mr. Epstein's intent as it related to the age of the women he permitted entry to his residence.

In the search warrant affidavit, Detective ReCarey *affirmed* that [redacted] claimed:

[Mr. Epstein] told her the younger the better.

And, [redacted] stated she once tried to bring a 23 year old female and Epstein stated that the female was too old.

What Detective ReCarey, no doubt intentionally, omitted was [redacted] *further* explanation, which rendered Mr. Epstein's comments *innocuous*:

A: Let me put it this way, he – I tried to bring him a woman who was 23 and he didn't really like it.

Q: He didn't go for it?

A: It's not that he didn't go for it. It's just that he didn't care for it. ***And he likes the girls that are between the ages of 18 and 20.*** ([redacted] Statement at 12) (emphasis added).

Had that critical information, information that turns allegedly illegal conduct into more innocent conduct, been included, it would have seriously undermined the probable cause for the search warrant.

Similarly, and equally problematic, Detective ReCarey *did not* include the many statements demonstrating that, when asked by Mr. Epstein, the women affirmatively misrepresented their ages as being 18, and/or that Mr. Epstein was not aware of their true ages. Indeed, although Detective ReCarey did note that Ms. [redacted] told Mr. Epstein that she was 18, he omitted from the affidavit the key point as to why she lied:

> [redacted] **said tell him you're 18 because if you're not, he won't let you in his house.** So I said I was 18. As I was giving him a massage, he was like how old are you. And then I was like 18. But I kind of said it really fast because I didn't want to make it sound like I was lying or anything. [redacted] at 38-39.

Thus, consistent with the guidance provided in Franks v. Delaware, 438 U.S. 154 (1978), the search warrant affidavit in this case reveals knowing and reckless falsehoods and omitted *material* information. This is precisely the type the United States Supreme Court sought to guard against.

The age of the alleged victims, and of Mr. Epstein's intent in that regard, is an element of the crimes that must be proven in order to sustain a conviction. In particular, § 2422(b) requires that the defendant specifically intended to target a minor. See, e.g., United States v. Murrell, 368 F.3d 1286 (11th Cir. 2004) ("[T]o prove an attempt the government must first prove that [defendant], using the internet, acted with a *specific intent to persuade, induce, entice, or coerce a minor to engage in unlawful sex*.") (Emphasis added). Section 2422(b) expressly requires that the crime be committed "knowingly," and that requisite mental element applies as to each element of the crime. United States v. XCitement Video, Inc., 513 U.S. 64, 68-69 (1994); United States v. Meek, 366 F.3d 705, 718 (9th Cir. 2004); United States v. Root, 296 F.3d 1222, 1227 (11th Cir. 2002); United States v. Bailey, 228 F.3d 637, 638-639 (6th Cir. 2000). How, then, could the USAO "plausibly argue" that a misrepresentation about an element of the crime could be viewed as "not material"? If the elements of the alleged crime are not met, there is no probable cause to sustain the search warrant in the first instance. If the elements are not met, there is no federal crime. That is material.

Moreover, it is clear from the plaint text of the statute that the statutorily proscribed act pursuant to 18 U.S.C. §2422(b) is the actual use of a facility of interstate commerce to persuade, entice, induce, or coerce. "The underlying criminal conduct Congress expressly proscribed in passing §2422(b) is the persuasion, inducement, enticement, or coercion of the minor rather than the sex act itself. That is, if a person persuaded a minor to engage in sexual conduct (e.g., with himself or a third party) without then committing any sex act himself, he would nevertheless violate §2422(b)." United States v. Murrell, 368 F.3d 1283, 1286 (11th Cir. 2004). See also, United States v. Bailey, 228 F.3d 637, 639 (6th Cir. 2000) ("Congress has made a clear choice to criminalize persuasion and the attempt to persuade, not the performance of the sexual acts themselves."). Thus, if there has been sexual misconduct (which we deny) without the requisite persuasion, there is no violation of this federal law.

The investigation and testimony in this case makes clear that Mr. Epstein did not use any facility of interstate commerce to commit any act forbidden by 18 U.S.C. § 2422(b)—to persuade, induce, entice, coerce—nor did he direct any of his assistants to do so. Indeed, by way of example, [redacted] was clear on this point at her deposition during which she repeatedly testified that nobody—not Mr. Epstein or any of his assistants—ever used the Internet or phone in any way to try to persuade her to engage in sexual activity with Mr. Epstein. [redacted] (deposition) at 31-32. Nonetheless, even assuming, *arguendo*, that persuasion to engage in sexual conduct occurred over the telephone (which we deny), it is black letter law that the *mens rea* must coincide with the *actus reus.* Thus, the government must prove that Mr. Epstein has the specific intent to target a known minor to engage in prohibited sexual activity *at the time of the call.* We have seen zero evidence of this. To the extent Mr. Epstein *later* may have persuaded a particular individual to engage in unlawful sexual activity *during a massage,* such persuasion occurred face to face, and can not work retroactively to render the earlier phone call an offense under the statute.

As to the purported violation of 18 U.S.C. § 2423 for allegedly traveling in interstate commerce for the purpose of engaging in illicit sexual activity, CEOS does not deny that Mr. Epstein was returning to one of his residences when he traveled to Florida.[4] CEOS explicitly stated it "fully understand[s] our argument" (CEOS letter at p.2) that Mr. Epstein should not be charged under § 2423(b) because the dominant purpose for his traveling to Palm Beach was not to engage in illegal sexual activity, but to simply return to one of his residences. Rather, this is apparently another "compelling" point of law which may be left to "a court to decide whether the law properly reaches such conduct." (CEOS letter at p. 2).[5] Notably, implicit in this concession by CEOS is that the law has never before been so applied, that is, there is no precedent for a court to extend the statute as the USAO seeks to do here. In fact, the United States Supreme Court prohibited the criminalization of travel under identical circumstances over a half century ago. See, Mortenson v. United States, 322 U.S. 369, 374 (1944) (intention to engage in proscribed conduct must "exist before the conclusion of the interstate journey and must be the *dominate motive* of such interstate movement." (Emphasis added.)

Beyond an absence of proof regarding the travel element in connection with 18 U.S.C. §2423, the requisite age requirement for a violation of that statute is important. 18 U.S.C. §2423, by reference to Chapter 109A (18 U.S.C. §2423(f)(1)), specifically defines a minor for purposes of that statute as an individual who has not attained the age of 16. If an alleged victim is 16 years of age or older, a violation of this statute pursuant to 2423(f)(1) can only occur if it can be proven that force, threat or drugs were involved. See, 18 U.S.C. §§ 2241 *et seq.* There are no such allegations here. As a result, in order to find a violation under 18 U.S.C. § 2423, the United States would have to prove that Mr. Epstein engaged in one of the sexual acts defined at 18 U.S.C. § 2246(2) with an individual under the age of 16, and that he formed the intent and dominant purpose to do so prior to the time he made a return trip to Florida. Again, there is no such evidence here. [redacted] has specifically testified that 1) she never engaged in sexual activity with Mr. Epstein; 2) she never even met or talked to Mr. Epstein prior to her arrival at his house; and 3) she lied about her age not only to Mr. Epstein, but, in fact, to the world on her MySpace page when she said that she was 18 years old. It is, then, also worth noting in this regard that 18 U.S.C. §§2243(c) provides an affirmative defense if proven by a preponderance of the evidence if Mr. Epstein reasonably believed that [redacted] was had attained the requisite legal age. Finally, although 18 U.S.C. §2423(f)(2) also defines "illicit sexual conduct" as any commercial sex act with a person under the age of 18, 18 U.S.C. §2423(g) also provides a specific affirmative defense as to that age element if proven by a preponderance of the evidence that Mr. Epstein reasonably believed that the young women had attained the requisite legal age. As we have demonstrated, time and again the women involved lied to Mr. Epstein as to their true age, representing that they were, in fact, over the age of 18. Many of them also represented that they worked at local massage parlors, which presumably would have imposed a legal age requirement.

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[4] In addition to his residence there, Mr. Epstein also has several businesses, and personal matters and contacts to which he attends in Florida. For example, beginning in 2002, Mr. Epstein visited his mother nearly every weekend in Palm Beach until she passed away in April, 2004.

[5] As previously set forth herein, and as more fully explained in other submissions related to this case, the recent Supreme Court decisions in Santos and Cuellar make this attempted stretch of the law improper.

Lastly, in contrast to 18 U.S.C. §1591, Mr. Epstein's conduct did not involve trafficking of women or children in the sex industry, and was not part of any phenomenon that, in the aggregate, had an economic impact on interstate or foreign commerce. Additionally, Mr. Epstein did not benefit financially from the alleged conduct. Therefore, as the SAO determined, and still believes, Mr. Epstein was a customer, a "John" for whom prosecutions are best left to the State to address. Indeed, there is no reported precedent extending federal law to a local "John" who does not violate the child exploitation statutes. Indeed, CEOS does not point to a single case where federal prosecutors have used § 1591 in a case involving facts like these. Instead, every § 1591 prosecution has involved national or international sex trafficking and/or for-profit prostitution rings, involving the *knowing* use of minors and/or forcible coercion, or forcible rape, physical abuse or intimidation. These are the elements required by the statute, and they are not met here.

Although CEOS could, perhaps, point to United States v. Evans, 476 F.3d 1176 (11th Cir. 2007) as a case that, standing alone, involved wholly intrastate conduct, the facts of that case are far different in key respects than this one. The Evans case involved both the commercial and coercive components that Congress, and administration policy statements intended in 18 U.S.C. § 1591 prosecutions. Evans, and his co-conspirators (Madison and Yearby) were not "Johns." **They operated a for profit prostitution ring marked by control of, and extreme violence toward, the victims, who they knew were underage.** Indeed, Evans forced one such victim, age 14 years old, to continue to work even after she had been hospitalized with AIDS. As part of their business, Evans and his co-conspirators provided the victims with cell phones, hotels, and condoms, and the victims were forced to give all of their money from this prostitution ring to Evans and his co-conspirators. None of this type of activity comes close to the facts regarding Mr. Epstein. Finally, but significantly, the prostitution ring in Evans was not, in fact, entirely intrastate as the companion case of one of the Evans co-defendants makes clear. See, United States v. Madison, 477 F.3d 1312, 1313-1314 (11th Cir. 2007) (Jane Doe #2 stated that she traveled to Atlanta, Georgia with Madison to work as a prostitute).

Thus, courts, including the Eleventh Circuit in Evans, have underscored the point that § 1591 simply is not intended to cover the kind of alleged conduct at issue here. "Section 1591 does not criminalize all acts of prostitution (a vice traditionally governed by state regulation). Rather, its reach is limited to sex trafficking that involves children or is accomplished by force, fraud, or coercion." United States v. Evans, 476 F.3d at 1179 n. 1; See also United States v. Sims, 171 Fed.

Appx. 849, 2006 WL 14581 at *3 (11th Cir. 2006) (to establish Sims's guilt on the sex trafficking of a minor count, the government had to show that Sims *benefited financially* from Owen's sexual activity and that Sims *knew* that (a) force or coercion would be used to cause Owens to engage in a criminal sex act or (b) that Owens was under the age of 18.) (emphasis added). Again, none of these factors is present in this case. The Eleventh Circuit's interpretation of the statute makes perfect sense: were § 1591 not limited in this fashion, it would threaten to criminalize a host of localized behavior that has nothing to do with human trafficking, and, thus, is of no valid federal interest.

In sum, to accord discretion to the USAO, albeit without benefit of the requested full *de novo* review, to exercise authority to pursue a prosecution which involves a "novel" application of three federal statutes in the face of numerous "compelling arguments" is not warranted, as it is not supported by the facts, the law, or justice. Echoing the admonition of the Supreme Court in the Berger decision, the Comment to Rule 3.8 of the Rules of Professional Conduct (Special Responsibilities of a Prosecutor), says it best "A prosecutor has the responsibility of a minister of justice and not simply that of an advocate. This responsibility carries with it specific obligations to see that a defendant is accorded procedural justice and that guilt is decided upon the basis of sufficient evidence." This is a responsibility that can not be taken for granted. The government bears the burden of assuring that it possesses sufficient evidence to prove each element of a crime with respect to some specific victim before publicly branding Mr. Epstein a child molester. In this case, however, the USAO has not met its burden for any victim for any of the crimes alleged. It is not enough to simply gloss over the required proof, and rely on the jury or the court to just sort it all out in the end. The stakes are too high. As a result, the USAO should not be permitted to pursue an unfounded federal criminal case against Mr. Epstein under the guise of prosecutorial discretion.

Such prosecution in this case necessarily would appear to be selective to Mr. Epstein. To be clear, our request that Mr. Epstein should not be prosecuted federally would not permit him to go completely unpunished, but, rather, would simply place him in the same prosecution position as others similarly situated. Therefore, we continue to believe that after a complete, *de novo*, and independent review, the only appropriate conclusion will be that this case is best left to the state to resolve.

Very truly yours,

Stephanie D. Thacker

STEPHANIE D. THACKER

SDT/kdt
Enclosures

TAB 1

U.S. Department of Justice

United States Attorney
Southern District of Florida

First Assistant U.S. Attorney

99 N.E. 4 Street
Miami, FL 33132
(305) 961-9100

DELIVERY BY FACSIMILE
Jay P. Lefkowitz, Esq.
Kirkland & Ellis LLP
Citigroup Center
153 East 53rd Street
New York, New York 10022-4675

May 19, 2008

Re: Jeffrey Epstein

Dear Mr. Lefkowitz,

I am in receipt of your e-mail dated May 19, 2008 to the United States Attorney. The U.S. Attorney would like me to advise you that all communications and inquiries related to the Epstein matter, will be handled by AUSA Marie Villafana and/or her supervisor, Karen Atkinson, so he does not intend to respond to your e-mail or calls unless AUSA Villafana and/or her supervisors advise him otherwise. Furthermore, you make reference to "*our July 8 deadline*." Respectfully, the United States Attorney's Office for the Southern District of Florida ("SDFL") has never agreed to any such deadline. Should you decide to provide the SDFL with any additional information, please do so through AUSA Villafana, and, in her absence, AUSA Atkinson.

On September 24, 2007, your client, Jeffrey Epstein, in consultation with Gerald Lefcourt, Esq. and Lilly Ann Sanchez, Esq., as well as numerous other nationally-renowned lawyers, including but not limited to Harvard Law Professor Alan Dershowitz, former Independent Counsel and Solicitor General of the United States Kenneth Starr, just to name a few, entered into a global resolution of state and federal liabilities faced by your client ("the Agreement") with the SDFL. Although you and other members of the defense team have since claimed that the Agreement was the product of adhesion, the following facts demonstrate that Epstein knowingly and voluntarily entered into the Agreement in order to avoid a federal indictment regarding his sexual conduct involving minor victims. Despite the fact that by signing the Agreement, Epstein gave up the right to object to its provisions, the SDFL bent over backwards to exhaustively consider and re-consider your objections. Since these objections have finally been exhausted and Epstein has previously expressed his intent to not comply with several of the terms and conditions of the Agreement as set forth below, the SDFL hereby notifies you that unless he complies with all of the terms and conditions of the Agreement, as modified by the United States Attorney's December 19, 2007 letter to Ms. Sanchez by close of business on Monday, June 2, 2008, the SDFL will elect to terminate the Agreement.

Background

The Agreement was the product of months of negotiations. Specifically, you requested and received numerous meetings, at the highest levels of the SDFL and DOJ's Child Exploitation and Obscenity Section (CEOS) concerning claims that (a) the investigation merely produced evidence of relatively innocuous sexual conduct with some minors who, unbeknownst to Epstein, misrepresented their ages; (b) the authorities investigating Epstein engaged in misconduct; (c) the contemplated federal statutes have no applicability to this matter; and (d) the federal authorities disregarded the fundamental policy against federal intervention with state criminal proceedings. *After careful review, the SDFL ultimately rejected those claims. Subsequent to its decision, however,* but before proceeding any further, the SDFL provided you with 30 days to appeal the decision to the Assistant Attorney General of the United States, Alice Fisher. As you recall, you chose to forego an appeal to AAG Fisher, and instead pursued a negotiated resolution which, ultimately, resulted in the execution of the Agreement.

The Negotiation Phase

During negotiations, you tried to avoid a resolution that called for incarceration and registration as a sexual offender – both of which would be triggered by a successful federal prosecution. The SDFL believed and continues to believe that should this matter proceed to trial, your client would be convicted of the federal statutes identified in the Agreement. In order to achieve a global resolution, the SDFL indicated a willingness to defer to the State the length of incarceration; however, it remained adamant that Epstein register as a sex offender and that all victims identified during the investigation remain eligible for compensation. In order to achieve this result, the parties considered two alternatives, a plea to federal charges that limited Epstein's sentencing exposure, or, as suggested by you, a plea to state charges encompassing Epstein's conduct. Ultimately, the parties agreed to, *inter alia,* a plea to the state charges outlined in the Agreement, registration and a method of compensation.

The Agreement

The crux of the Agreement defers in favor of the State federal prosecution of Epstein for his sexual conduct involving those minor victims identified as of September 24, 2007, in exchange for a guilty plea to a state offense that requires registration as a sex offender; a sufficient term of imprisonment; and a method of compensation for the victims such that they would be placed in the same position as if Epstein had been convicted of one of the enumerated offenses set forth in Title 18, United States Code, Section 2255. Specifically, the Agreement mandates, *inter alia,* (1) a guilty plea in Palm Beach County Circuit Court to solicitation of prostitution (Fl. Stat. Section 796.07) and procurement of minors to engage in prostitution (Fl. Stat. Section 796.03) (an offense that requires him to register as a sex offender); (2) a 30-month sentence including 18 months' incarceration in county jail; (3) a methodology to compensate the victims identified by the United States; (4) entry of the guilty plea and sentence no later than October 26, 2007; and (5) the start of the above-mentioned sentence no later than January 4, 2008.

Furthermore, and significantly, Epstein agreed that he had the burden of ensuring compliance of the Agreement with the Palm Beach County State Attorney's Office and the Judge of the 15th Judicial Circuit and *"that the failure to do so will be a breach of the agreement"* (emphasis added).

Post-Execution of the Agreement

Within weeks of the execution of the Agreement, you sought to delay the entry of Epstein's guilty plea and sentence. After the SDFL agreed to accommodate your request, counsel for Epstein began taking issue with the methodology of compensation, notification to the victims, and the issues that had been previously considered and rejected during negotiations, *i.e.*, that the conduct does not require registration and the contemplated state and federal statutes have no applicability to the instant matter.

A. Delay.

The Agreement required that "Epstein shall use his best efforts *to enter his guilty plea and be sentenced not later than October 26, 2007.* The United States has no objection to Epstein self-reporting to begin serving his sentence not later than January 4, 2008." Agreement, pages 4-5, paragraph 11 (emphasis added). After the Agreement was executed, the SDFL accommodated your request to extend the October 26th plea deadline to November 20th based upon, what seemed to be, reasonable scheduling conflict issues.[1] By early November, you represented that the presiding state court judge would not "stagger the plea and sentencing as contemplated in the Agreement."Although the Agreement clearly did not contemplate a staggered "plea and sentencing," the SDFL again agreed to accommodate Epstein's request to appear in state court for plea and sentencing on January 4, 2008.[2]

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[1] "Accordingly, I have now confirmed with Mr. Epstein's Florida counsel that the state's attorney's office and the court will be available to have him enter his plea on November 20. So we will plan to proceed on one that date." October 18, 2007 email from Jay Lefkowitz to USA R. Alexander Acosta.

On the same day, Mr. Lefkowitz confirmed with First Assistant Jeffrey H. Sloman that this postponement " will not affect when Epstein begins serving his sentence."

[2] Correspondence from Jay Lefkowitz to FAUSA Sloman dated November 8, 2007 ("the judge has invited the parties to appear for the plea and sentencing on January 4th, we do not anticipate any delay beyond that date.")

B. Method of Compensation and Notification.

During this same time period, you and others, including the former Solicitor General of the United States Kenneth Starr, took issue with the *implementation* of the methodology of compensation (hereinafter "the 2255 provision")[3] and the SDFL's intention to notify the victims under *18 U.S.C. Section 3771 (you objected to victims being notified of time and place of Epstein's* state court sentencing hearing). In response, the SDFL offered, in my opinion, numerous and various reasonable modifications and accommodations which ultimately resulted in United States Attorney R. Alexander Acosta's December 19, 2007 letter to Lilly Ann Sanchez. In that letter, the United States Attorney tried to eliminate *all* concerns which, quite frankly, the SDFL was not obligated to address, let alone consider. He proposed the following language regarding the 2255 provision:

> "Any person, who while a minor, was a victim of a violation of an offense enumerated in Title 18, United States Code, Section 2255, will have the same rights to proceed under Section 2255 as she would have had, if Mr. Epstein been tried federally and convicted of an enumerated offense. For purposes of implementing this paragraph, the United States shall provide Mr. Epstein's attorneys with a list of individuals whom it was prepared to name in an Indictment as victims of an enumerated offense by Mr. Epstein. Any judicial authority interpreting this provision, including any authority determining which evidentiary burdens if any a plaintiff must meet, shall consider that it is the intent of the parties to place these identified victims in the same position as they would have been had Mr. Epstein been convicted at trial. No more; no less."

Regarding the issue of notice to the victims, USA Acosta proposed to notify them of the federal resolution as required by law; however, "[w]e will defer to the discretion of the State Attorney regarding whether he wishes to provide victims with notice of the state proceedings, although we will provide him with the information necessary to do so if he wishes." As you know, you rejected these proposals as well. *See* December 26, 2007 correspondence from Jay Lefkowitz to USA Acosta.

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[3] Prior to any issues arising concerning the implementation of the 2255 provision, the SDFL unilaterally agreed to assign its responsibility to select the attorney representative for the alleged victims to an independent third-party. This was done to avoid even the appearance of favoritism in the selection of the attorney representative. As a result, on October 29, 2007, the parties executed an Addendum wherein it was mutually agreed that former United States District Court Judge Edward B. Davis would serve as the independent third-party. Judge Davis selected the venerable law firm of Podhurst and Josefsberg to represent the approximately 34 alleged identified victims.

C. "Mr. Epstein Does Not Believe He Is Guilty Of The Federal Charges Enumerated Under Section 2255."

At our December 14, 2007 meeting at the U.S. Attorney's Office in Miami, counsel for Epstein announced, *inter alia,* that it was a "profound injustice" to require Epstein to register as a sex offender and reiterated that no federal crime, especially 18 U.S.C. Section 2422(b), had been committed since the statute is only violated if a telephone or means of interstate commerce is used to do the persuading or inducing. This particular attack on this statute had been previously raised and thoroughly considered and rejected by the SDFL and CEOS prior to the execution of the Agreement. You also argued that the facts were inapplicable to the contemplated state statutes and that Epstein should not have been allowed to have been induced into the Agreement because the facts were not what he understood them to be. It should be noted that the SDFL has never provided you with any evidence supporting its investigation. This is not, and has never been, an *Alford* plea situation (*see North Carolina v. Alford*, 400 U.S. 25, 91 S.Ct. 160 (1970)). Ultimately, you requested an independent review.

Subsequent to the above-mentioned meeting, the SDFL received three letters from you and/or Mr. Starr which expanded on some of the themes announced in the December 14th meeting. Essentially, you portrayed the SDFL as trying to coerce a plea to unknown allegations and incoherent theories. On December 17, 2007, you decreed that Epstein's conduct did not meet the requirements of solicitation of minors to engage in prostitution (Fl. Stat. Section 796.03) one of the enumerated crimes Epstein had previously agreed to plead guilty to; that Epstein's conduct does not require registration under Florida law; and the State Attorney's Office does not believe the conduct is registrable. On December 21, 2007, you rejected the USA's proposed resolution of the 2255 provision because you "strongly believe that the provable conduct of Mr. Epstein with respect to these individuals fails to satisfy the requisite elements of either 18 U.S.C. Section[s] 2422(b) ... or ... 2423(b)." In your December 26, 2007 correspondence you stated that "we have reiterated in previous submissions that Mr. Epstein does not believe he is guilty of the federal charges enumerated under section 2255" and requiring "Mr. Epstein to in essence admit guilt, though he believes he did not commit the requisite offense."

As the SDFL has reiterated time and time again, it does not want, nor does it expect, Epstein to plead guilty to a charge he does not believe he committed. As a result, we obliged your request for an independent *de novo* review of the investigation and facilitated such a review at the highest levels of the Department of Justice. It is our understanding that that independent review is now complete and a determination has been made that there are no impediments to a federal prosecution by the SDFL.

Conclusion

On February 25, 2008, I sent you an e-mail setting forth a timetable for moving forward in the event that CEOS disagreed with your position. That time is now. As you know, my February 25th email stated that I would give you one week to comply with the terms and conditions of the Agreement, as modified by the USA's December 19th letter to Ms. Sanchez. In light of the upcoming Memorial Day weekend, I have decided to extend that timetable to the close of business on Monday, June 2, 2008, which is a full two weeks.

Sincerely,

R. Alexander Acosta
United States Attorney

By:
Jeffrey H. Sloman
First Assistant United States Attorney

cc: R. Alexander Acosta
United States Attorney

A. Marie Villafana
Assistant U.S. Attorney

Karen Atkinson
Assistant U.S. Attorney

TAB 2

U.S. Department of Justice

United States Attorney
Southern District of Florida

UNITED STATES ATTORNEY'S OFFICE
SOUTHERN DISTRICT OF FLORIDA
99 NE 4TH STREET
MIAMI, FLORIDA 33132-2111

Jeffrey H. Sloman
First Assistant U.S. Attorney
305 961 9299

Cyndee Campos
Staff Assistant
305 961 9461
305 530-6444 fax

FACSIMILE TRANSMISSION
COVER SHEET

DATE: November 5, 2007

TO: Jay Lefkowitz, Esquire

FAX NUMBER: (212) 446 4900

SUBJECT: Jeffrey Epstein

NUMBER OF PAGES, INCLUDING THIS PAGE: 3

Message/Comments:

This facsimile contains PRIVILEGED AND CONFIDENTIAL INFORMATION intended only for the use of the Addressee(s) named above. If you are not the intended recipient of this facsimile, or the employee or agent responsible for delivering it to the intended recipient, you are hereby notified that any dissemination or coping of this facsimile is strictly prohibited. If you have received this facsimile in error, please immediately notify us by telephone and return the original facsimile to us at the above address via the U.S. Postal Service. Thank you.

U.S. Department of Justice

United States Attorney
Southern District of Florida

99 N.E. 4th Street
Miami, FL 33132-2111
(305) 961-9299
Facsimile: (305) 530-6444

November 5, 2007

DELIVERY BY FACSIMILE
Jay P. Lefkowitz, Esq.
Kirkland & Ellis LLP
Citigroup Center
153 East 53rd Street
New York, New York 10022-4675

Re: Jeffrey Epstein

Dear Jay:

Several things have come to my attention that seem contrary to your client intending to abide by his obligations under the Non-Prosecution Agreement. As you know, that agreement requires our Office to inform you of potential breaches to give you and your client the opportunity to respond before an indictment is filed. At this time, I do not believe that the agreement has been breached; however, I have sufficient concerns that need to be addressed.

First, I understand that private investigators working for Mr. Epstein have contacted victims to ask them whether any detectives or FBI agents have discussed a financial settlement with them. On one occasion, the private investigators told the parent of a victim that she should get an attorney for her daughter and she should do so right away. These actions are troublesome because the FBI agents legally are required to advise the victims of the resolution of the matter, which includes informing them that, as part of the resolution, that Mr. Epstein has agreed to pay damages in some circumstances. Furthermore, Mr. Epstein well knows that we are in the process of selecting an attorney to represent the victims and, but for the inordinate amount of time spent negotiating the Addendum, that attorney would already have been selected. Paragraph 7 of the Non-Prosecution Agreement explicitly provides that contact with the victims shall be through that counsel. Accordingly, please confirm that there will be no further efforts to contact any victims until Judge Davis selects the attorney representative and that, thereafter, contact will be made only through that counsel.

Second, the Non-Prosecution Agreement requires Mr. Epstein to use his best efforts to enter his guilty plea and to be sentenced not later than October 26, 2007. Despite this obligation, the Office agreed that Mr. Epstein could postpone this deadline to November, but reiterated that Mr.

Epstein had to begin his term of incarceration not later than January 4, 2008. I have learned that the November hearing has been removed from the calendar and the next case disposition conference has not been set until January 7, 2008. This delay is unacceptable, and, pursuant to your obligations, the Office requests that you confer with the State Attorney's Office to try to find a date in November when the judge is available to conduct a simultaneous plea and sentencing. If you cannot find such a date, please provide documentation of your efforts to abide by the terms of the Non-Prosecution Agreement.

Third, there have been several press reports that Mr. Epstein no longer intends to enter a guilty plea. Normally I would not pay any attention to such reports, but your recent correspondence attempting to restrict our Office from communicating with the State Attorney's Office and the allusion to the imposition of sentences that clearly fall outside the terms of the Non-Prosecution Agreement raises concern. Please confirm that Mr. Epstein intends to abide by his agreement to plead guilty to the specified charges and to make a binding recommendation that the Court impose a sentence of 18 months of continuous confinement in the county jail.

Finally, the Non-Prosecution Agreement requires that you provide the Office with copies of all proposed agreements with the State Attorney's Office before Mr. Epstein signs any such agreements. To date, no such agreements have been received. Please provide me with copies of any and all agreements with the State Attorney's Office for our review. The Office also would like to have someone present at the change of plea and sentencing to monitor Mr. Epstein's compliance with the terms of the Non-Prosecution Agreement, so please keep me informed of the date, time, and location of the hearing.

Please provide me with a written response, adopted by Mr. Epstein, addressing these concerns and reiterating Mr. Epstein's intention to comply with the terms of the Non-Prosecution Agreement by November 8, 2007.

Sincerely,

R. Alexander Acosta
United States Attorney

By: Jeffrey H. Sloman
Jeffrey Sloman
First Assistant United States Attorney

cc: R. Alexander Acosta, U.S. Attorney
AUSA A. Marie Villafaña

TAB 3

TOLL RECORDS OF SARAH KELLEN'S CALLS

- MR. EPSTEIN DID NOT KNOW WHO WOULD BE COMING TO GIVE HIM A MASSAGE.

Wednesday, April 27, 2005	9:02AM	(561) 635-3454	[redacted]
Wednesday, April 27, 2005	9:03AM	(561) 801-3590	[redacted]
Wednesday, April 27, 2005	12:14PM	(561) 714-0546	[redacted]
Wednesday, April 27, 2005	12:15PM	(561) 714-0546	[redacted]
Wednesday, April 27, 2005	3:16PM	(561) 309-0079	[redacted]
Wednesday, April 27, 2005	3:20PM	(561) 309-0079	[redacted]
Thursday, May 05, 2005	3:28PM	(561) 644-3713	[redacted]
Thursday, May 05, 2005	8:43PM	(561) 644-3713	[redacted]
Thursday, May 05, 2005	8:48PM	(561) 644-3713	[redacted]
Thursday, May 05, 2005	9:13PM	(561) 644-3713	[redacted]
Thursday, May 05, 2005	10:03PM	(561) 644-3713	[redacted]
Friday, May 06, 2005	8:30AM	(561) 389-6874	[redacted]
Friday, May 06, 2005	8:59AM	(561) 644-3713	[redacted]
Friday, May 06, 2005	9:33AM	(561) 714-0546	[redacted]
Friday, May 06, 2005	9:34AM	(561) 389-6874	[redacted]
Friday, May 06, 2005	9:35AM	(561) 309-0079	[redacted]
Friday, May 06, 2005	10:58AM	(561) 644-3713	[redacted]
Friday, May 06, 2005	5:35PM	(561) 644-3713	[redacted]
Friday, May 06, 2005	7:50PM	(561) 644-3713	[redacted]
Saturday, May 07, 2005	11:03AM	(561) 644-3713	[redacted]
Saturday, May 07, 2005	11:04AM	(561) 389-6874	[redacted]
Sunday, May 08, 2005	11:39AM	(561) 262-6186	[redacted]
Sunday, May 08, 2005	12:28PM	(561) 684-6642	[redacted]
Sunday, May 08, 2005	3:20PM	(561) 262-6186	[redacted]
Sunday, May 08, 2005	3:21PM	(561) 262-6186	[redacted]

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[1] Mr. Rofrano is Mr. Epstein's chiropractor.

- MR. EPSTEIN DID NOT TARGET ANY ONE PARTICULAR INDIVIDUAL, NOR DID HE TARGET MINORS. ALL OF THE CALLS BELOW WERE MADE TO WOMEN OVER THE AGE OF 18.

Saturday, July 02, 2005	9:50AM	(561) 389-6874	[redacted]	[redacted]	cell
Saturday, July 02, 2005	11:33AM	(561) 635-3454	[redacted]	[redacted]	cell
Saturday, July 02, 2005	11:54AM	(561) 856-2974	[redacted]	[redacted]	cell
Saturday, July 02, 2005	12:03PM	(561) 635-3454	[redacted]	[redacted]	cell
Saturday, July 02, 2005	1:49PM	(561) 324-7996	[redacted]	[redacted]	cell
Saturday, July 02, 2005	3:21PM	(561) 324-7996	[redacted]	[redacted]	cell
Saturday, July 02, 2005	3:22PM	(561) 635-3454	[redacted]	[redacted]	cell
Saturday, July 02, 2005	3:58PM	(561) 324-7996	[redacted]	[redacted]	cell
Saturday, July 02, 2005	4:10PM	(561) 262-6186	[redacted]	[redacted]	cell
Saturday, July 02, 2005	4:11PM	(561) 635-3454	[redacted]	[redacted]	cell
Saturday, July 02, 2005	6:20PM	(561) 302-1844	[redacted]	[redacted]	cell
Saturday, July 02, 2005	9:25PM	(561) 389-6874	[redacted]	[redacted]	cell
Sunday, July 03, 2005	1:14PM	(561) 324-7996	[redacted]	[redacted]	cell
Sunday, July 03, 2005	1:44PM	(561) 574-0142	[redacted]	[redacted]	cell
Sunday, July 03, 2005	9:57PM	(561) 262-6186	[redacted]	[redacted]	cell
Sunday, September 18, 2005	9:58AM	(561) 714-0546	[redacted]	[redacted]	cell
Sunday, September 18, 2005	9:59AM	(561) 324-7996	[redacted]	[redacted]	cell
Sunday, September 18, 2005	9:59AM	(561) 635-3454	[redacted]	[redacted]	cell
Sunday, September 18, 2005	10:02AM	(561) 801-3590	[redacted]	[redacted]	cell
Sunday, September 18, 2005	10:04AM	(561) 662-3098	[redacted]	[redacted]	cell
Sunday, September 18, 2005	10:44AM	(561) 302-1844	[redacted]	[redacted]	cell
Sunday, September 18, 2005	1:10PM	(561) 389-6874	[redacted]	[redacted]	cell
Sunday, September 18, 2005	4:10PM	(561) 389-6874	[redacted]	[redacted]	cell
Sunday, September 18, 2005	5:17PM	(561) 324-7996	[redacted]	[redacted]	cell
Sunday, September 18, 2005	9:36PM	(561) 714-0546	[redacted]	[redacted]	cell
Sunday, September 18, 2005	9:45PM	(561) 714-0546	[redacted]	[redacted]	cell

TAB 4

MP: Detective Michele Pagan

[redacted]

KB: Kathy Back

MP: I.D. #8059, reference case number 05-368. The time now, by my watch, is approximately 6 minutes past 2pm on 3/15/05. (Inaudible) High Ridge Family Center, Sable Palm School.

UNK: Just High Ridge Family Center.

MP: Okay, the High Ridge Family Center. Present also is...could you state your name please?

[redacted]

MP: Spell your name please?

[redacted]

MP: And your date of birth?

[redacted]

MP: And you are?

CB: Cathy Back, Family Therapist.

MP: Could you spell your name please?

KB: K-A-T-H-Y B-A-C-K.

MP: And you're her family therapist? Am I correct?

KB: Yes.

MP: Okay. I'm here today [redacted] and I have stated briefly why I'm here is in reference to an incident that happened to a friend of yours, or a girl you know.

I'm not sure if she's friend of yours or not, by the name of [redacted]. Do you know what I'm talking about?

[redacted] Yes.

MP: Okay. I hear your voice got very low all of a sudden so if you don't mind..

[redacted] Oh, okay.

MP: I'll even hold it. Okay. Can you tell me how you know [redacted]?

[redacted] She's my ex-boyfriend's cousin.

MP: And what's your ex-boyfriend's name?

[redacted] Zack [redacted].

MP: Is that his last name? [redacted]?

[redacted] Yes.

MP: What school does he go to?

[redacted] (inaudible) Summit Christian School.

MP: And you said he's your ex-boyfriend. How long ago was that?

[redacted] I don't know. Like two months, two months and a half ago.

MP: How long did you go out with him?

[redacted] Three weeks...?

MP: Not long? And [redacted]? You met her through Zack?

[redacted] Yeah, I met her when I went to dinner at his grandmother's house.

MP: Okay. And do you know [redacted]'s last name?

[redacted] No. I don't.

MP: Do you know where she lives?

[redacted] Yes. She lives on [redacted] streets away from me.

MP: Okay.

[redacted] (inaudible)

MP: Okay. And tell me now what happened with [redacted]

[redacted] Okay, well, the third time of hanging out with [redacted], cause I was a cousin, well, [redacted] And we were over there watching a movie and this guy called or actually it was a woman but it was for a guy. And she's talking to [redacted] and then she said that, well I don't know exactly what the woman said but she said do you have anybody left with you and [redacted] said yes and then she said are you bringing them to the guy's house? In [redacted] or wherever he lives. And she said I don't know. I'll call you back. And then she told Zack that I was gonna come with her to this guy's house so that, so that, she was gonna get paid, like I don't know how much money but this man's been paying money. And that she was gonna bring me along and then Zack was like no, you're not taking her and then she's like well, I'll ask her and then she just told me, she didn't tell me what's she's gonna do, she told me she's going to some old guy's house and (inaudible) get my shoes and go shopping. So I was like, okay. And then we went, I don't know what day it was cause she picked me up. I'm pretty sure it was a Saturday or a Sunday. So she picked me up and we get in the car and she (inaudible) and then we left and we were still driving and then we went to his house and we were waiting in the kitchen and the old man came and he's like, hello, I'm...I don't even know, I think it's Jeff. I'm Jeff and then we, I'm like I'm [redacted] And then she um went upstairs and I guess gave him money and we went back downstairs we weren't there, we were only there for like 30 minutes and then we left and then she went to go to Marshall's to go get some, a skirt and a purse but she didn't get the skirt. She only ended up getting the purse and that was like a black purse.

MP: That's all that happened?

[redacted] Um hm.

MP: Well, I'm hearing a lot more happened.

[redacted] Like what, I know, like what went around the school?

MP: Like what went around the school. Tell me what happened at school.

[redacted] In school, everybody was saying that I got paid $300 with the, for the old man. That old guy. Cause he's....oh, first of all, is that I got fingered by the old man, then it was I had sex with the old man and then it was I'm just a prostitute and I got paid $300.

MP: Who was spreading these rumors around?

[redacted]: Um, my, this girl, she used to be my friend [redacted] but I guess....

MP: Where would she get ....

[redacted] From Zack because I broke up with him. Well, that's what I think. I think when I broke up with him, he got very mad and told the girl cause this girl, she hated me because I went out him and she likes him.

MP: Which girl was this?

[redacted]: [redacted].

MP: [redacted]? Liked Zack?

[redacted]: Yeah.

MP: ...went out with him so she started spreading these rumors?

[redacted] Cause I went out to the fair and she was supposed to go with him but, I guess, he didn't like her and then we started talking and she got mad because I was talking to him.

MP: What does...can you tell me more about [redacted]?

[redacted] I don't really know that much. All I know is that she, the only thing I know about her is that her boyfriend, but then they broke up, like, she met him at a party. That's the only thing I know and that she has brown hair and like, I don't really know about her. I went to her house (inaudible)

MP: Are you telling me?...and I want you to know something, okay?

[redacted] Um hm.

MP: Regardless of what has happened, okay? I'm being very honest. You're not in trouble for anything.

[redacted] I know.

MP: Whether you did something with this man or not.

[redacted] Hmm....

MP: Whether you did something with this man. What I'm trying to do is find out if this type of thing is going on and you're not the only one and I don't think you are the only one.

[redacted] I don't think so either cause the other kid Anthony (inaudible) he knows [redacted] too and I, cause he's telling me, he's like where do you know [redacted] and then I was like she's my boyfriend's cousin. Oh that girl's bad and I'm like okay, too bad.

MP: Did you do anything with this man?

[redacted] No, we went upstairs and just got money and I don't know...

[redacted] And there's like little circle chairs, that you can sit on.

MP: Stools.

[redacted] Stools. And we were just sitting there waiting cause he wasn't there yet. Then he came inside after we were standing there about 5 minutes. Cause like, there was a gate and a bodyguard guy. When we opened the gate and knocked on the door, security, some guy, like a bodyguard kind of, type of guy. Same guy walked up and he's like, excuse me, what are you here for and we're here to see Jeff. And then he was okay, well come inside, Jeff'll be here in like 5 minutes. And then we waited and he was like you can help yourself to a drink. And then he left and then like 2 minutes after the guy left, Jeff and a lady walked in and they introduced themselves and we're like, hi, my name is [redacted] and then she's like [redacted] (inaudible) and then there's like a walk in door thing, that you walk in like a cabinet thing, not a cabinet but the island thing (inaudible) and then the door would be right there.

MP: Okay.

[redacted] Yeah, (inaudible)

MP: So they walked away out of your sight?

[redacted] Um hm. Well there was another girl there. I was never by myself. I don't remember the girl's name but she's [redacted]'s friend.

MP: Okay.

[redacted] She was [redacted]'s....

MP: What does [redacted], do you have an idea of what, why this woman, this assistant, would ask if [redacted] had anybody with her?

[redacted] I don't know but what you call, the lady, she really like (inaudible) I don't know what's wrong. I mean when she walked in, she was like kind of like, I don't know, but she was just like, um, she couldn't say anything about her, she was just first name and that's it and then she was just like right to the point. She didn't try to be friendly, you know.

MP: What do you mean she didn't try to be friendly?

[redacted] She wasn't like hi, I'm like, you know (inaudible) she was just like hi, I'm and I don't remember her name but she said she was from [redacted] I remember that.

MP: And your friend, or [redacted]'s friend stayed in the car?

[redacted] No, she was with us. When we walked in, and she sat, she was just there, she didn't do anything, she was with me. We were just right at the table, like we were sitting having a conversation for like two seconds. Then [redacted] came back downstairs and then she's like thanks Jeff and then I'm like bye Jeff and then the other girl was like bye and then we left.

MP: Okay, did [redacted] tell you what was going on upstairs?

[redacted]: No. She just, I didn't ask because like [redacted], the only reason I know the money was to go shopping. That's what (inaudible).

MP: Did she give you any money?

[redacted] Um hm.

MP: How much money?

[redacted] $300.

MP: What did you do with the $300?

[redacted] I didn't spend it. And then I went to school and then my principal, cause I got into a fight with a girl, [redacted], for saying that. Because she said that I was, had done all that with the old man to get that money and that's not true. That's why I got really angry and then we (inaudible) before that and then when I went to the office to (inaudible) the principal but actually she didn't say anything at first and then she was like, [redacted] told her side of the story, can I see your purse and I was like go ahead and (inaudible) and I'm like yes and then my dad, my dad and the principal and my step-mom, they were all like um, why did you do that with an old man and who is the old man. I'll kill him, blah, blah, blah. And then I was like I didn't do anything! I didn't do anything! And they didn't believe me. And I kind of got mad at and then the whole thing, that's when I moved back to my mom's house because my dad thought I was a prostitute. And it was really....

MP: You know that just because something may have happened, that doesn't make you a prostitute.

[redacted] I know.

MP: Do you?

[redacted] Yes.

MP: Okay. Do you want something to drink?

[redacted] No.

MP: Are you sure?

[redacted] Yeah.

MP: You know, I've been doing this for a long time and I'm not saying you're not telling me the truth, I think you're not telling me the whole truth about what happened. Okay? Matter of fact, I know you're not. And I know you might be a little afraid looking on it....

[redacted] Okay, I... (inaudible) because they already came to my dad's house and they did something to my dad's tires and my dad almost died.

MP: Okay. Give me your hand. I'm here to help you. Look at me.

[redacted] I don't want him to get hurt because he already almost killed him.

MP: I'm here to help you.

KB: Honey, I'm gonna get you some water. Okay?

[redacted] Okay.

MP: I'm here to help you, okay? I'm being honest, okay? I'm going to be very up front but I need you to be up front with me, okay?

[redacted] Okay.

MP: The only way I can help you is if you're honest with me, a hundred percent honest with me.

[redacted] Okay.

MP: Your counselor's not here. Tell me what happened. Now be honest about it.

[redacted] Okay. When I got there, that Jeff guy and the lady were there and then the lady wanted me to come upstairs and she's like, she's talking to me and then she was putting out a table like for a massage. And then um, and then when and then she like put the covers on the table and they like, it comes to like (inaudible) whatever and she's like, oh Jeff will be up in a second. And then the Jeff guy got there, she was like, she was like, take off your clothes and I didn't know what to do because I was the only one up there and so I just took off my shirt and I was in a bra and then he came in and had a towel over him and he was like no, take off everything. So I just took off my pants and I was in my bra and underwear and he was like now you're gonna give me a massage. Then he went on the table and he's like here, the lady that was putting down the table, got out three lotions and put them on the table and then he picked up out which lotion. He was like, give me a massage with this lotion and then I was giving him a massage and he said you can get on my back. So he was on the table and I was straddling him on his back and giving him a massage and then he was turning around and then he whacked off and then he's like oh you have a really hot body and then I was like, that's disgusting, but I didn't say that and then he's like oh, excuse me for a second and he, I guess he went into the other room and he whacked off again and then he came back and said to me like, I'm done. And then he's like, here's your money and then I was going downstairs and he acted all nice and stuff, he's like bye, nice to meet you, hope you can come back again and then [redacted]'s like how did it go, what did you do. And I'm like, I'm like, he made me give him a massage, [redacted] and she's like, I know. And then we went to Marshall's and she got a purse and stuff cause she got paid too but I, she didn't do anything, I don't think because she was downstairs the whole time while she knew I was up there.

MP: When she asked you to go with her...

[redacted]: Um hm....

MP: ...did you know...here's your water.

[redacted]: Thank you.

KB: (inaudible)

[redacted] Okay. Bye.

(Inaudible)

KB: Um, you know what (Inaudible), I'm gonna down to the dorm. She knows how to find me.

MP: Okay. You feel better without her here?

[redacted]: Yeah, because I'm embarrassed cause it's really gross and she....

MP: It is.

[redacted]: ...might tell my mom.

MP: That's why I'm here. Okay?

[redacted] And I don't want my parents to find out.

MP: Well....

[redacted] Because I told them it wasn't true.

MP: Your parents love you. Okay? And their main thing is for you to be healthy. Okay? Not only physically but up here. And they know that right now your have a lot of issues and I think this is one of them. Because like you said, you thought it was gross. Right?

[redacted]: Cause he's like 45 years old.

MP: That's okay. Let's backtrack a bit. When you went with [redacted], tell me the part where it was the truth. Okay? You were with Zack and [redacted] said let's go?

[redacted] Yeah. Okay, we were watching, I don't remember the movie, but I know we were watching a movie and then we were gonna go and take a ride. Cause me and Zack were gonna get dropped off at the bowling alley so [redacted] (inaudible) she was saying about her boyfriend and [redacted] got a phone call and then she was talking to that lady and the lady was like, [redacted], [redacted] was actually saying I'm coming, I'm coming, and [redacted] was like, can I bring somebody? And then [redacted] was like, the lady was like what does she look like and she started describing me and then Zack turned around and said to [redacted] who are you talking to. And then [redacted] went like that and she was talking to the lady and like just describing me, what I was wearing that night and then the lady was like okay, well Jeff is gonna want to talk to you and [redacted] was like, that's fine. And then she got off the phone and then Zack said, I was like too, why are you describing me, who are you talking to. And she was like [redacted], do you want to go with me tomorrow, I'm gonna go pick up some money from my boss's house. And then she's like cause I get paid tomorrow and then I said okay. And Zack's like no because I guess Zack knew what she did because Zack said no and he got really mad at me and said no, you're not going, you're not going with her. And then I was like, and she's like, you know, but you just have to come with me and I was like cause the old man's gonna give us both money so we can go shopping. Cause that's like my boss and he's really nice. And I was like okay. And then Zack didn't say anything the rest of the night about it, he was just like really (inaudible) out there and mad. Not really mad but he was just like frustrated that [redacted], I guess, would say that.

MP: And you didn't know what was really going on.

[redacted] I didn't know it was gonna, that I had to give him a massage and get naked.

MP: What did you think was going to happen?

[redacted] That, like she just said, I don't know but I knew something was wrong, nobody's just gonna pay you money but I didn't think that I, I thought that was just [redacted]'s business whatever [redacted] do, just gonna go over there. And she told me that it was a rich guy and she was saying oh my God, he's so rich, blah, blah, blah. And he has like a new Mercedes and all this stuff and she's like explaining him. And then, what's it called...so actually we didn't, we left but we didn't end up going to the bowling alley. Her boyfriend went to his house really fast to go get [redacted] something from his house and then he (inaudible) brought his car back to [redacted]'s house and we were just sitting there watching the movie but she was like, [redacted] are you sure you're going to go with me and I was like okay, I'll go with you. I'm like last time, I'm like, what are we gonna do [redacted], we were going to go shopping and we were discussing what we were going to buy with our money, cause she told me how much money I was gonna get, $300. And I was cool, I know what I'm gonna buy. We're just like saying what we were gonna buy with the money. She said I need to go buy a purse and then the next day, actually I gave her my phone number that night so she could call, so she could pick me up. And when I went in the house that morning, she called me, she [redacted] are you still gonna come with me and I'm like yeah. So she's like okay, get ready. I'm gonna be there in like 30 minutes and then she came to the house in like 30 minutes. And she had a friend with her.

MP: Do you remember the name of the friend?

[redacted] I don't know her name but she was like really dark, kind of like a Spanish girl. I don't (inaudible)...

MP: Darker than me?

[redacted] Um hm.

MP: Okay.

[redacted] And she had like short hair and she had like a styled hair, like a cute little style. I don't remember her name. I talked to her but I didn't remember her name cause (inaudible) right after I got in the car. And then all the way there, we were just listening to music and singing and stuff and like just laughing and stuff. And she told me the girl about her boyfriend and stuff (inaudible).

MP: So you're driving. So [redacted] picks you up. Do you remember what day it was?

[redacted] No but I know it was a Sunday because I told my dad, Dad can I please go on Sunday with Haley to go shopping and my dad goes where are you guys going shopping because he didn't know [redacted] and he said no at first and I was like Dad, that's [redacted], you know Zack's cousin and then my dad says okay but I have to meet her. So then [redacted] called me afterward and then she's like I'm gonna need $10 for gas and she was like can your dad give me $10? And then I was like sure but I didn't ask my dad. I just (inaudible) $10. And then my dad was, okay and my dad called me, he's like (inaudible) I'm not gonna be able to give you money. So then I was really mad but then I didn't tell [redacted] but my dad ended up (inaudible) (inaudible) when [redacted] was pulling up, my dad ended up pulling up so [redacted] and my dad saw each other. And [redacted] was like, oh my God, your dad is so hot. And then I said yeah, right. Started laughing about it. And then my dad gave Haley $10 for the gas.

MP: So you got in the car. What kind of car did she drive?

[redacted] A truck.

MP: What color?

[redacted] I don't remember but I think it was a bluish color. I think so.

MP: So she drove.

[redacted] Yeah, she drove.

MP: She drove?

[redacted] Yeah and I was in the passenger seat and there was like a whole bunch of junk back behind her and I was sitting next to it, like (inaudible) or stuff for school. And was there....like but I don't know but it took a pretty long time to get there. And you know where, like, the rich people are, what is that street? Where the Kravis Center is but further than that. Like towards the beach more. That way.

MP: Yeah, towards the beach.

[redacted] Yeah. That way. And that's where, yeah, that's like where he lives but when she pulled into, I know for a fact it's a pink house, I remember the pink house and then he had an Escalade in his driveway and then a Mercedes in his garage. I remember that much.

MP: Okay. Do you remember... so you took the Kravis way or did you....

[redacted] I don't remember where we...

MP: You don't remember which way...

[redacted] I just remember the building.

MP: It was near the ocean?

[redacted] Yeah. I know....cause one day when I was with my friend [redacted], that's exactly where we went, like around that area, not the CityPlace area but you know, it kind of looks like that area. Like where the Kravis Center was and I remember....that's how I remember.

MP: Do you remember seeing the beach and the ocean?

[redacted] No but we went over that bridge where the ocean was and then the bridge went over.

MP: Okay. So you definitely went over the bridge.

[redacted] Yeah. Went over a bridge. And it was up and we had wait for it to go down. So we were there for like 5 minutes.

MP: That was time you were with [redacted]?

[redacted] Yes.

MP: Okay. And then the house, you said, you described it as pink?

[redacted] It was like a, it was a two story house and then it was like a pinkish color, pinkish pink color.

MP: Were there gates or something in front?

[redacted] Well, it wasn't a gate but, the back door had a gate to it and it was a white gate and [redacted] just like she knew that you had to open it and it wasn't locked so we just opened it and there were three, two or three steps and you just walk up and then he had a pool and it had, like the floor, the floor was like a hard something, it wasn't concrete, it was squares of like concrete, but they were like...

MP: Like tile, you mean?

[redacted] It was like a coral concrete, you know like.. And then the pool was there and the house was there, I guess it was like a security house because a man that was with the security came out and he was like what are you guys here for, cause you're knocking on the door and then [redacted] said we're here to see Jeff and then...

MP: What did that man say?

[redacted] He was like oh, okay and she's like, she smiles and then he let her in (inaudible) but he opened the door and then we went in and then (inaudible) and the counter, here's the door when you walk in and there's a (inaudible) refrigerator and then the window, a glass sliding window looks out at the pool.

MP: Okay.

[redacted] And then like the cabinet, I mean not the cabinet, the island, was like here and then there's like a cabinet over there and the door was right here.

MP: Okay, just for the tape purposes, the way that you described it, okay? Is you walk in and on the left hand side?

[redacted] Um hm.

MP: Cause you motioned right now, who's there?

[redacted] (inaudible)

MP: And then when you walked in, on the left hand side, what did you see?

[redacted] Like if I was getting out of the doorway?

MP: Um hm.

[redacted] Okay. Well, there's a door. If you looked straight, it would be straight from you but a little towards the right.

MP: Okay. And...

[redacted] It wasn't a door, door. It was just a doorway (inaudible)

MP: Okay.

[redacted] No, wait, maybe it, I don't know, cause it was open, but there could have been door, but it was open so I didn't really pay attention. But I know it was a doorway going up.

MP: Okay. So now you're in that kitchen area. Right?

[redacted] Um hm.

MP: The three of you?

[redacted] Yes.

MP: Where did you park the car?

[redacted] In his little driveway area.

MP: So you're in the kitchen area. What happens next?

[redacted] We were waiting there. We were talking, just about how cool the house was. I'm like oh my gosh, I've never been in a house like this. And then the lady and the man came in, Jeff. I'm pretty sure...like 90% positive. And he walked in, he was like in a t-shirt and pants, not pants but you know, like maybe like kind of dressy. And he was like hello, he's like hi [redacted] and then he said hi to me and then he said hi to the girl. He knew the girl and he knew [redacted] But then he said, I don't remember your name but the girl was like, oh, she's like . I know that he didn't remember her but he knew her. Do you know what I mean?

MP: Um hm.

[redacted] He didn't remember her name but he knew who she was. And then she's like oh hi, and she's like who are you and I'm like, I'm [redacted] and then he's like okay, well, then follow my, I don't remember the lady's name but she's, he said follow her (the name) upstairs. So she's like, come on [redacted] and then we walked upstairs and I thought......

MP: By yourself?

[redacted] Yes, but I thought that [redacted] cause she said she was gonna get paid, so I thought [redacted] and the girl was gonna get paid in like, you know, like private, privacy and cause it was just him and her and the other girl in the kitchen. And so I went upstairs and as I was walking upstairs, there was a picture of him in like a different country and then I'm like that's really cool and the lady said isn't it and she was just walking upstairs and there was like a door and then, it was like to a little (inaudible) this big and it had a couch and a couch and it was like another walkway towards that way. And then walked towards, like keep walking forward and then to my right and there was a bedroom and then we turned right again and there was a big bathroom, a big...it was humongous. And the bathroom. It wasn't like a bathroom, bathroom, it was like a sitting area with a shower there. Humongous shower. Like a jillion people could be in that shower. And then it was humongous. And there was like a door here and you opened it and there was like a little desk with paper and pads and stuff. And I don't know (inaudible) like sitting on the couch right here, like against my... there's big long couch. And it was pink and green. Hot pink and green. And there.....

MP: The room or the sofa?

[redacted] The sofa.

MP: Okay.

[redacted] And there's a table with a phone on it. And um, during when I was giving him a massage, he made a phone call but I don't remember whether he just said, like he said four words and then hung up. Yeah, I don't remember. And he made a

MP: By yourself?

[redacted] Yes, but I thought that [redacted] cause she said she was gonna get paid, so I thought [redacted] and the girl was gonna get paid in like, you know, like private, privacy and cause it was just him and her and the other girl in the kitchen. And so I went upstairs and as I was walking upstairs, there was a picture of him in like a different country and then I'm like that's really cool and the lady said isn't it and she was just walking upstairs and there was like a door and then, it was like to a little (inaudible) this big and it had a couch and a couch and it was like another walkway towards that way. And then walked towards, like keep walking forward and then to my right and there was a bedroom and then we turned right again and there was a big bathroom, a big...it was humongous. And the bathroom. It wasn't like a bathroom, bathroom, it was like a sitting area with a shower there. Humongous shower. Like a jillion people could be in that shower. And then it was humongous. And there was like a door here and you opened it and there was like a little desk with paper and pads and stuff. And I don't know (inaudible) like sitting on the couch right here, like against my... there's big long couch. And it was pink and green. Hot pink and green. And there.....

MP: The room or the sofa?

[redacted] The sofa.

MP: Okay.

[redacted] And there's a table with a phone on it. And um, during when I was giving him a massage, he made a phone call but I don't remember whether he just said, like he said four words and then hung up. Yeah, I don't remember. And he made a phone call and then he put the table back where it was (inaudible). And then....

MP: But the lady...so you're upstairs and you're sitting down and the lady's there. What is she doing?

[redacted] Oh, she's, well, there's a closet right here, with a table in it. Like the massage table...

MP: Near the sofas?

[redacted] Yes. Like a door on each side and um, towards the door, there's a door for the table. She took that out and there's like a safe and then like she put it in the middle. It's this way, like long ways. And then she put like put the cloth over it but she's looking around the room, I guess just to look, like she was remembering something, I guess, like where the lotion was. And there are pictures of like, naked girls on the wall and there was like, there was like one big mural of naked girls' like, butts. And then, towards the door, there was like a cabinet here, like a built in thing, like a (inaudible) and um, there's drawers in it and she opened the last drawer and there was a whole bunch of lotions, like millions and millions of kinds of lotions. And she picked out three kinds of lotions and put them on like an armoire kind of thing with a mirror. And she set it there. And then after, she told me, sit here for 5 minutes. Like, just sit there. And eventually he came in and he was like, hi I'm Jeff and I'm like hi, I'm [redacted] And he's like, I'll be right back, you can take off your clothes. And then he left. And there's a bedroom out there and he just went out there and I don't know but there's like, pictures out there, I think, I don't remember, he took off his clothes and put a towel over himself. But I don't know if there was a towel thing back there cause it's like, I don't remember....

MP: Did he undress in front of you?

[redacted] No, he didn't. But he took off his towel in front of me.

MP: Okay. So he came back in....

[redacted] Yeah, he came back into the room and he was....

MP: Were you dressed?

[redacted] I was in a bra and he said no, I meant get naked. And then I was, I went like that and he was you can keep your bra and underwear on and but get down to your bra and underwear so I took off my pants. Cause he was real stern about it, like Take Off Your Pants. And then I just took off my pants and then he laid down on the table but like, after he was laying on the table, he took off the towel just enough, you know, like you could see....

MP: Did you see him naked?

[redacted] Yes I did. And it was disgusting.

MP: I don't mean to... I know maybe it's disgusting but can you describe him? Did he have any marks, tattoos, was he hairy?

[redacted] Yes, he was really very hairy on his chest and on his back and towards...okay I don't mean to sound gross but....

MP: No, say it the way you would if you were speaking to one of your best friends.

[redacted] Okay.

MP: (inaudible)

[redacted] Okay. He was laying on his belly side so his butt was like, up. And there was like, he had a very hairy back all the way to here and then there was just like a hairy butt line going down to his butt.

MP: Okay.

[redacted] So gross. Okay, and then...(inaudible)

MP: Did you see the front of him?

[redacted] Yeah. Cause when he got off the table, he like turned this way so everything showed towards me and then he got off and then he went and whacked off and then he came back in. But he was very hairy on his chest area and I just looked for like one second and it was very, very disgusting. Okay. That's all I have to say about that.

MP: Do you know what it means....and I have to ask only because there are some people that don't.....to be circumcised?

[redacted] No. I don't, I don't really know... but I think he was on steroids because he was a built guy and his weinie was very tiny.

MP: His wee wee was very tiny.

[redacted] Yes.

MP: And when you mean wee wee, you mean what?

[redacted] His penis.

MP: Yes, his penis. Okay.

[redacted] Yes, his penis.

MP: People call it different things. Alright. I just wanted to make sure we know. Okay. He laid down, he took off his towel and he laid down.

[redacted] He laid down on the .....

MP: Did he take his towel completely off or just open it so...

[redacted] No, completely off.

MP: Okay. Where did he put the towel?

[redacted] On the floor. Right like, the table underneath.

MP: Okay. So he laid down, took the towel off. What happened next?

[redacted] And then he's like, get the lotion. So I grabbed the lotion. Which, I had to walk almost naked, but I was in like a thong so yeah, my butt was showing and he, the table is like, I mean the sink was, you know, the lotions were right there and I was over here and he was like go get the lotions just so I could walk past him with my butt showing to go get the lotions. So I got the lotions and he's like, he's like this lotion and then I took that lotion and he's like squirt it on your hands and then massage clockwise on my back cause I didn't know how to do it? and then he's like telling me where he would like the massage, here and here, the right to the left, down more, up more. So I was just massaging and he turned and started having a conversation, oh what happened to [redacted] and I'm like, (inaudible) my ex-boyfriend (inaudible) what's your boyfriend's name. Zack. And he was kind of questioning me and then he said what, he's like, could you stop? I need to go. And i just stopped and I'm like okay. And he got off the table. He put the towel over him. He bent down and got the towel and then he left the room and you could hear him, like, you know, you could obviously tell what he was doing, just like....

MP: I don't ..... I won't look at you but do what he was doing, what you heard. I know it's kind of embarrassing but....

[redacted] He was making like sex noises. You know, like..... I don't.. They were very strange noises. That's all I can say.

MP: Okay.

[redacted] I don't know how to describe them, they were very strange.

MP: Can you imitate them?

[redacted] I don't, I don't want to make a fool out of myself.

MP: You won't. You're not making a fool. You know, it might say it's sex noises. He may say I was singing.

[redacted] Okay. He was like....

MP: I won't look at you, go ahead.

[redacted] He was like oooohhhh, ooohhh.

MP: Okay, okay, he's making groaning noises.

[redacted] Yes, groaning noises, that's it. Okay. That was really embarrassing. It really was. He was making those kinds of noises and then he walked back into the room, took off his towel again and laid back on the thing and then he wanted the same kind of massage but he was like oh use your (inaudible) a little bit more.

MP: You were massaging his back?

[redacted] Yeah. And then he, he's like, could you, turn over for a second.. (inaudible) (inaudible) go back out of the room. He turned over and he said okay, please massage my boobs. And then I was massaging his boobs and he's like, he's like, oh, like as I was doing it, as I was massaging, he was making the same noises again like, oh my God, it's so embarrassing to do this. He was like....

MP: I won't look.

[redacted] He was going like ooohhh, making those noises. And like 5 minutes after that, and then he turned back around and he just started touching himself and I think the massage was like a half an hour but cause I don't know, the time I think was a half an hour to 45 minutes and then I was done. And then he, I think he has like a safe somewhere because around us he didn't have his wallet or something because right when we got out the door, he left to go put the towel on again and he put the towel on again and went out of the room and he goes you can put your clothes back on. So I put my clothes back on and he walked right out there, like two seconds and then came back like within two seconds. And he's like here's your money. And then he gave me $300 in hundred dollar bills and they were like brand new because they only had like one crease in them and that's when they're folded in half. And he said thank you for your time. And then he left. And he said you can see your way out and I was just walking and I got lost cause there's so many different rooms and I got lost and I walked back downstairs and [redacted] was like just smiling and giggling, like, I guess it was what the lady was saying and then she looked at me and she looked back at the lady and then she's like, the lady's like oh, bye [redacted] cause it was time to go cause I guess because I was done. And then, then we left the same way we came in and then [redacted]'s like oh my gosh, [redacted] goes how did you like it. Like how much did he give you, how much did he pay you. And I'm like $300. And I was kind of like $300, [redacted]. Cause the girl was like this. She was looking at me really weird. The other girl that was with her. She's like really quiet though. And then she just looked at me really weird and she's like trying to gaze into my eyeballs. And then we went in the car and when we got in the car, [redacted]s like, let me see what he gave you. And then I showed her my $300 and she's like, we're going to Marshalls. And then, give me back my money and I put it in my back pocket. And then she was trying to get me to describe what happened so I told her what happened. And she's like, you could do this every Saturday. He's is like so rich. And I was just kind of like, yeah, we could. And then, she put back on the music. And then, when we were leaving, the lady was walking outside and I (inaudible) one of the cars really fast but she was just going to the passenger seat and she opened the door and then closed it.

MP: What did [redacted]'s friend say? Did she say anything about it?

[redacted] She was just like interested in what happened, like when we were talking, we're like into the conversation and then she was kind of like giggling and laughing, like, I think, I wouldn't say, I mean, I don't know if (inaudible) or not but she wasn't acting surprised, you know, like giggling. She was just of like giggling and laughing along with [redacted]. And tnen [redacted] goes um, and then when I was giving the guy the massage, he goes, I know [redacted] she's been working with me for a long time and then when I came back downstairs, [redacted] goes, you only paid me $200. So....

MP: He liked you better.

[redacted]: I don't know.

MP: Well, after you left, where did you go?

[redacted] Marshalls or to TJ Maxx, one of those two. TJ Maxx or Marshalls. And she bought a black purse.

MP: Okay. Did you see [redacted] after that again?

[redacted] Um, I don't think so because that's when I got grounded. And then that's when I got in trouble with the fight. So after that, I'm pretty sure I didn't. Most likely.

MP: Did you ever speak to her again?

[redacted] No, because I got my cell phone taken away.

MP: Okay. So you haven't see [redacted] since the day you went to Jeff's house.

[redacted] Correct.

MP: Are you sure?

[redacted] Yeah. I'm 100 percent sure.

MP: How do you know she....now tell me what happened with your dad.

[redacted] Okay. Because my dad, I didn't know about until my sister told me when she came here. But my sister, on a Thursday, was coming here. And wait, Wednesday night, my dad said that he heard the dog barking and my dog is inside. So he's barking and he's outside, like barking towards outside and then my dad is like shut up cause he forgets the dog's name and the dog wouldn't be quiet. So he's like, I'm taking the dog outside. And then my dad took the dog outside and the dog was way in towards my dad's truck, like my dad thought he was attacking the animals but my dad, a person, a boy, I don't know for a fact but I know in my heart its Zack. Because Zack got really mad over the whole situation.

MP: Did you tell Zack what happened?

[redacted] Yeah. And that's when, he punched a wall and he like my face was right there and he punched the wall, like my face was right there and he punched the wall right next to my face. And he started getting all upset and crying and calling [redacted] how could you do this? Blah, blah, blah. And then [redacted]'s like, okay, I won't do it again. And like she just kind of like hung up and he was like I hate her, I hate her and then I hate you too. And I was like okay and we broke up and then I think (inaudible) on the computer and I think he told [redacted] what happened and she turned it into an extraordinary, like story so at school so I would look like, you know, like I'm the bad person, like I'm a slut, I'm a whore or something and she's going around school saying all this stuff and then so my parents came, cause that's when I got mad at her and told her to stop talking but she wouldn't stop talking about it. So I just got in a fight with her, like a fist fight at school. And I got suspended and so did she but she only got suspended for one day because I started the fight. So I got in trouble more. And my dad got really mad and he grounded me for it, because he found the $300 in my wallet and then my dad was like, you're grounded, you're grounded forever and he's all freaking out, how could you do this, blah, blah. The school said you did. And um, I didn't tell the school how, I told them I got it from my job, cause I worked at Chick Filet but I quit. So I said I (inaudible) but nobody believed me so I was just like believe what you want. Cause I didn't want to tell the principal or my parents.

MP: Well, I think that the best thing that you're doing is that you're being honest. Okay?

[redacted] Um hm.

MP: You already know that they have a pretty good idea what happened. Okay?

[redacted] I didn't even know there was like an investigation.

MP: Well, that's....

[redacted] I just knew.

MP: Well, this is why. What's happening is that I was made aware of this situation...

[redacted] From my school?

MP: I'm not gonna say, okay? I was made aware of this situation. And they look at it like you were taken advantage of. Not that you did anything wrong, okay? Even though you went there willingly. Even though you went there willingly, you were still taken advantage of. Okay? Because you were put into a position that you felt you had no choice. Once you were there, before when you were telling me about how Jeff told you to take off your clothes? You took your pointer and you said he was really stern and you banged your leg, you put the pointer on your leg when you said that. How did you feel when he told you to take your clothes off?

[redacted] I don't know. I didn't know what else to do because I was the only person up there and he's like 45 years old and he has like big muscles, because, I don't know, but I'm pretty sure 45 years old and big muscles, body builder.

MP: Okay.

[redacted] So I just felt intimidated because he's guy, first of all, and I'm a girl and I know that [redacted] was all the way downstairs with the lady and what was [redacted] going to do to help me all the way upstairs so I just did it.

MP: Okay. Now, there's one way I'm a little confused at because you said that, and I'm using your words okay, that he whacked off twice. You said before that he whacked off twice. When did he do that?

[redacted] In between giving him a massage, like when I was giving him a massage, he was got, he was like, excuse me for a minute and he just left the room.

MP: Okay, so that's once. When was the other time?

[redacted] Like during the thing, like when I was massaging his boobs.

MP: When you..okay, when you were massaging his boobs, was his back flat on the table? How was he positioned?

[redacted] Well, he was at first and then when he started to whack off, he got like, his back went off the table, kind of like leaning...

MP: Okay, where were you standing?

[redacted] I was standing up. I was not on him. I was standing up (inaudible) and I was like....he was towards, okay, he was on the table. I'm right here and he's leaning that way.

MP: Okay.

[redacted] ..like (inaudible) cause I guess, I don't know, but... and he was like, my face, it got hard to see what was going on because of how low I was and he just kind of moved his head the other way and he was like, wants....

MP: Okay, but just now, when you're saying that, you moved your hand. Did you see him whacking off?

[redacted] Yes. I saw him whacking off.

MP: Okay. That's what I need to know. Cause you said he whacked off twice.

[redacted] Um hm.

MP: So he whacked off in front of you?

[redacted] Um hm.

MP: And you saw his hand doing or you saw his eyes, what was going on?

[redacted] Okay. I saw his face, facial expressions and noises.

MP: Okay. What else did you see?

[redacted] I just saw him...

MP: You keep moving your hand so...in other words, he took his hand and what was he doing with his hand?

[redacted] I don't know how to explain it. He was just whacking off.

MP: Okay, describe...don't....

[redacted]: Okay, sorry, he put his hand on his penis and he put it up and down and he was like making facial noises, I mean facial expressions and making noises.

MP: So you saw him doing that, he did that in front of you?

[redacted] Yes.

MP: Do you know what it means when someone ejaculates?

[redacted] It means they're horny?

MP: No, what it means is that once they, while they're whacking off and I'm using your words, okay. Another word for that is masturbating. Okay?

[redacted] Yes.

MP: Do you know what it means to masturbate? A boy does it?

[redacted] I don't know why they do it or I know why they do it but I don't know what it does...

MP: Okay.

[redacted] To them.

MP: In other words, fluid comes out of their....

[redacted] Oh, okay.

MP: Okay? I'm just being very... I'm gonna tell you because I think....

[redacted] I know that part.

MP: Okay. So fluid comes out and that's ejaculating. And it's called semen. So while he was whacking off, okay, did you see any fluid come out?

[redacted] It was, yes, because he had to take the towel and wipe his thing before he got off the table again to go get the $300.

MP: Okay.

[redacted] He took the towel and like... And then, okay, like he took the towel to wipe himself and then like as he was getting off and then this way instead of this way, this way, like that.

MP: Okay. Since you've seen his penis, was there anything distinctive about it? Like did he have a mole on it?

[redacted] No, it was very small.

MP: Very small, that's fine. Did you notice...you said he was very hairy on his chest. Did he have any tattoos?

[redacted] Uh uh, not that I saw.

MP: Did he have any scars?

[redacted] No, but he had freckles somewhere because he was huge.

MP: You're pointing at the chest area.

[redacted] Yeah, some freckles.

MP: Like a mole or a freckle?

[redacted] A freckle.

MP: Okay. Can you tell me what he looks like?

[redacted] He had like not white hair but it was, not white but it, you know, it was kind of like, like me. It was like.... I don't know.

MP: He was going gray.

[redacted] Yes. He was going gray. And he had...

MP: What color hair did he have before? Blonde, brown?

[redacted] No.

MP: You were describing Jeff to me, with the freckle and he was going gray and what else?

[redacted] Um, like he, like his skin color is like, when I saw him, when you have a sunburn, but its like when you have it a couple of days and it's turning into a tan. It was like a reddish tannish color. And he had like a long face and that's about all I can remember and he had a white t shirt when he first came in.

MP: Okay.

[redacted] I don't really remember...

MP: Did he have any king of like jewelry on his body that you noticed?

[redacted] I didn't, I don't remember.

MP: Okay. Do you remember what color eyes he had?

[redacted] Nope.

MP: Did he have any facial hair, like a mustache? Or a goatee or anything?

[redacted] Hmm....No but his eyebrows were really thick and they were bushy, like everywhere.

MP: Okay. Did he ever ask you to do anything other than massaging him?

SG: No

MP: Are you sure?

[redacted] Yes.

MP: Did he try to, did he try at anytime to grab your hand, just try to put it somewhere?

[redacted] No. No, no, no. I know what you're getting at. No, I did not whack him off.

MP: Okay. You said that you straddled him.

[redacted] Um hm.

MP: What do you mean by that?

[redacted] When..he was on his stomach and I was giving him a massage, like I was, you know where, like, on...on, like the butt? And then like, I was sitting on his butt but a little bit above his butt. And I, it was, I was butt naked and he was butt naked and....

MP: Okay.

[redacted] ...my butt was, my butt cheeks were on the top of his butt and the real little of his back.

MP: Now when you say you were butt naked....

[redacted] I meant with underwear and a bra.

MP: Okay. Now, did he ask you to get on top of him?

[redacted] Um hm.

MP: Or did you do that on your own?

[redacted] No, he's like..because at first, I was giving him a massage like you know, standing up. And he, then he's like it would be feel more comfortable if you got on my back. Could you please do that....and then I did that. Like, I did, um, like, I wasn't, at first I didn't want to sit on his hairy you know, butt. So it was kind of like, you know, like, pushing my legs on the table so like I could kind of sit up and he was like could you please just put all...like sit on me, put all your body weight on me. And then I went, I was just kind of like kind of think I did when I was actually sitting on him, I didn't realize what it was and then like, I got grossed out and as I'm going down, kind of like popped up again. Cause it was gross.

MP: Okay. He never tried to touch you?

[redacted] Besides like, you know, well, what do you mean by touching, like sexually touching me?

MP: No, did he try to touch you or...

[redacted] He put his hand on my back when he was whacking off or masturbating. Like, he was just like....

MP: You keep, like motioning, like smacking.

[redacted] No,...

MP: What do you....

[redacted] Like, when you're leaning on something, putting your force on it? He was going like that, like...pulling, not, you know, like....

MP: Can you show me what you mean?

[redacted] Okay. He was.....

MP: Let's say I'm on my back. Where would you be, I'm Jeff, where would you be standing?

[redacted] I'm right here. I was like, I was like sitting right here.

MP: Okay.

[redacted] Okay and when he backed up.

MP: Which way, this way?

[redacted] Yeah.

MP: Okay, I'm going to my left.

[redacted] All the way around til your back's on the table.

MP: Okay. I'm facing you.

[redacted] And then you're, your face is a little bit that way...

MP: My right. Okay.

[redacted] And (inaudible) towards, like on his knees, kind of....

MP: Okay, I'm hunched over a little bit.

[redacted] And I'm over here. And I"m still giving you a massage and everything but this hand is around me and (inaudible)

MP: Okay. My left hand would bc...so is my left hand around your shoulders?

[redacted] No, under my arm while I'm going like that...

MP: Okay. So I'm holding you like around by the waist.

[redacted] Um hm. And that hand was on his...

MP: His right hand.

[redacted] Yes.

MP: Okay. It just gives me a better picture of trying to understand, that's why.

[redacted] Um hm.

MP: And I appreciate you doing that. I don't mean to make you feel uncomfortable. Do you feel uncomfortable?

[redacted] No.

MP: Okay. After everything was done, okay, did he watch you get dressed?

[redacted] No. Cause I was getting dressed while he was out there getting the $300. I guess that's what he was doing. That's the only thing he came back in with. He was still in a towel and stuff.

MP: In the room, at all, do you think...and I don't know if there is or not, but do you think there is anything in there that may have recorded what you did?

[redacted] Oh my gosh....

MP: A video camera...

[redacted] Oh my gosh. I didn't think about that. There was lots of places there could have been one because there's pictures, that could have been, I don't know....

MP: When he walked out... the reason why I ask is because he walked out once and then came back in, right?

[redacted] Yes.

MP: So it could be just so he could whack off. I was just curious. I don't know if there is or not.

[redacted] If there was, I did not know about it.

MP: Okay. So you get dressed, you go downstairs. Where is that woman again?

[redacted] Downstairs talking to [redacted] and the other girl.

MP: Okay.

[redacted] They were having a conversation.

MP: Okay. At any time, did he speak to you or does he know how old you are, did he know how old you were?

[redacted] Okay. Yes. And, as a matter of fact, [redacted] told me to say I was 18, because [redacted] said tell him you're 18 because if you're not, he won't let you in his house. So I said he was 18. As I was giving him a massage, he was like how old are you. And then I was 18. But I kind of said it really fast because I didn't want to make it sound like I was lying or anything.

MP: So what other things did he ask you?

[redacted] Um, how I know [redacted] what school I went to.

MP: Did you tell him what school you went to?

[redacted] Yeah but I told him Wellington. I didn't tell him Royal Palm.

MP: Did he ask you what grade you were in or did you tell him what grade you were in?

[redacted] Yeah, he was like what grade are you in? Because I told him I was in 12th grade still.

MP: Okay.

[redacted] Because I told him I was 18 so I had to...

MP: So you told him you were in 12th grade?

[redacted] Yes.

MP: Are you sure?

[redacted] Yes.

MP: Okay. What else did you talk about?

[redacted] Um, that's about it. And he was kind of asking me like how I knew [redacted], is [redacted] nice to me and then he told me how he knew [redacted] and he was like, I was kind of like, how do you know [redacted] Cause I brought up the conversation. He said well I know Haley because she's been working for me for a long time. And then like, I kind of, you kind of get the picture, working for you and hello, I'm sitting there giving him a back massage. So I kind of figured it out.

MP: He never said that, he just...

[redacted] Yes..

MP: ...said that she worked for him.

[redacted] Yeah but don't...on our way back home, that, like, doesn't make any sense if she didn't do that because why would [redacted] be doing (inaudible) for almost the same amount of money as me.

MP: Right. Well, why couldn't he pay her that day?

[redacted] I don't know, because that's a good question. Cause she didn't, as far as I know, but I don't know but I'm pretty sure she didn't tell me. she didn't think. She was just downstairs having a conversation. And I think that when I went up to the lady, he paid her because like, you know, so because, he paid her while I went upstairs and when I went downstairs, she was still talking to the lady still and she goes, when we were in the kitchen waiting, the old man to come to the house still, she said, oh the chef is so hot, he works here and she was like, and she's like he's so hot, you know, saying his face and then the other girl (inaudible) because when we saw the chef come in, he was old, too. He was like...

MP: So [redacted] likes older guys.

[redacted] Must like it.

MP: Okay. So you left and that was the last time you see him.

[redacted] Yes and that's the last time I went....

MP: Has Jeff ever tried to call you?

[redacted] Nope. And...

MP: Did you leave a phone number?

[redacted] Yeah. Actually I did. Cause when I was leaving, he goes um, please leave your phone number so [redacted] can keep in touch with you because she doesn't have your phone number. So I didn't, I just gave him my cell phone number. I didn't give him my house number, I gave him my cell phone number.

MP: And how long ago was this?

[redacted] Oh my gosh, I couldn't tell you the date but....it was about maybe, oh my gosh, a month and a half ago. I don't really know..

MP: In February?

[redacted] I...

MP: Because we're in March right now.

[redacted] Either the very beginning of February or the end of January. I couldn't tell you...

MP: How long after did you get into that fight with [redacted]?

[redacted] Um, like a week, cause...

MP: You got into a fight with [redacted] on the 9th.

[redacted] Okay, so yes, it was about a week after....or before.

MP: Okay. And who else besides Zack did you tell what happened?

[redacted] That's it.

MP: Besides [redacted] of course.

[redacted] Zack and [redacted]

MP: Do you think [redacted] has brought anybody else that you know of?

[redacted] No, but she wanted me to bring my sister but that same day was going to her boyfriend's house.

MP: Okay.

[redacted] And, when I was in that guy's room, there was a like, where the drawers of lotion were, there's like a shelf of pictures and he had so many pictures of girls about 16, 17, around that age, 17 or 18. And they were like on the walls and most of....all the girls were topless or just plain naked. And they were in positions or they were just standing up.

MP: Okay.

[redacted] Looking at pictures.

MP: Okay. Well, I have to ask you. Do you know the difference between....and you're a grown woman, so I'm asking you. You're pretty mature for your age. Okay? Do you know the difference between right and wrong?

[redacted] Yes.

MP: Do you know the difference between the truth and a lie?

[redacted] yes.

MP: Can you tell me what a lie would be?

[redacted] Um, not saying the truth.

MP: Okay. So if I tell you you are wearing a blue sweater right now.....

[redacted] I could tell you you're lying.

MP: Why?

[redacted] Because I'm wearing a pink one.

MP: You got it. Is everything you've told me the truth?

[redacted] Yes.

MP: Are you lying about anything?

[redacted] No. I'll swear on the bible.

MP: Okay. Swearing to God, that's good enough for me.

[redacted] I swear to God.

MP: Okay. Is there anything else you'd like to talk to me about?

[redacted] No, because that's about....nothing else about the whole thing.

MP: So that's it. You did not have any kind of sex with him.

[redacted] Heck no!! I will swear on my mother's grave...

MP: You know what having sex with somebody means?

[redacted] Yes, I know what having sex with somebody means.

MP: Okay. You, at no time, touched his penis?

[redacted] At no time did I touch his penis.

MP: At any time, did he touch you.....

[redacted] At no time...

MP: Besides putting his hands...

[redacted] Besides that, no times did he touch me.

MP: And just so I can be sure, you saw him whacking off once.

[redacted] Yes, I saw him.

MP: Okay. And as far as you think.....

[redacted] I think, I know, well, I couldn't say I know, but it's the same noises were being made when he was (inaudible).

MP: And that's it. I thank you very much. This will conclude the interview. The time now by my watch is approximately 3:05.

TAB 5

THE STATE OF FLORIDA,)
COUNTY OF PALM BEACH.)

IN RE:

JEFFREY EPSTEIN.

_______________________________________/

SWORN STATEMENT OF [redacted]

Friday, March 21, 2008
12:05 p.m. - 12:15 p.m.
250 Australian Avenue South
Suite 1400
West Palm Beach, Florida 33401

Reported By:
Judith F. Consor, FPR
Notary Public, State of Florida
Consor & Associates Reporting and Transcription
West Palm Beach Office
Phone - 561.682.0905

APPEARANCES:

On behalf of the Defendant:
JACK A. GOLDBERGER, ESQ.
ATTERBURY, GOLDBERGER & WEISS, P.A.
250 AUSTRALIAN AVENUE SOUTH
SUITE 1400
WEST PALM BEACH, FLORIDA 33401
561.659.8300

ALSO PRESENT
LILLY ANN SANCHEZ, ESQ.
FOWLER WHITE, ATTORNEYS AT LAW

- - -

Statement taken before Judith F. Consor, Court Reporter and Notary Public in and for the State of Florida at Large, in the above cause.

- - -

Thereupon,

[redacted]

having been first duly sworn or affirmed, was examined and stated as follows:

THE WITNESS: Yes, ma'am.

BY MR. GOLDBERGER:

Q. Jennifer, my name is Jack Goldberger and I'm here with Lilly Sanchez. And we are two lawyers that represent Jeffrey Epstein in some matters that are being investigated here in Palm Beach County.

We've asked you to come in here today, and we really appreciate that you came in here voluntarily.

You've just been sworn to tell the truth, and really all that means is that we're going to take a statement from you. And it's obvious that we just want you to tell us what you know.

A. Uh-huh.

Q. We don't want you to tell us anything that is incorrect or a lie in any way. We simply want the truth here. And we're going to do this very, very quickly. Okay?

A. Uh-huh.

Q. If you don't understand -- you know, I talk in what's called lawyerese sometimes. And if you don't understand what I'm saying, just say, "Jack, what are you talking about?" And we'll get it straight for you. Okay?

A. Uh-huh.

Q. Will you tell me what your full name is.

A. [redacted]

Q. Okay. And your birthday, [redacted]?

A. [redacted]

Q. Okay. Now where do you live right now?

A. [redacted].

Q. Is that here in West Palm Beach?

A. [redacted]

Q. How long have you lived there at that address?

A. [redacted].

Q. And you live there with your son?

A. Yes. And my parents.

Q. Okay. You've never been in court before for anything, have you?

A. Traffic.

Q. Your own traffic?

A. Nothing, nothing serious.

Q. Just your own traffic matters?

A. Yes.

Q. Have you ever had to have an attorney represent you for anything?

A. No.

Q. Good for you.

Okay I want to talk to you about a man that you know by the name of Jeffrey Epstein.

A. Uh-huh.

Q. You know Jeffrey, do you not?

A. I met him once.

Q. How many times did you ever go to Jeffrey Epstein's house?

A. One time.

Q. Okay. And now before you went to Jeffrey Epstein's house, had you ever heard of him before?

A. Yes, [redacted] had told me about him, [redacted]

Q. And what had [redacted] told you about Mr. Epstein?

A. She told me that he was having girls such as [redacted] and [redacted], and others that I don't know their names, were setting up girls to bring them over and give him massages, and it was going to be strictly massages, no physical contact other than that, and that I would be getting paid -- I don't remember what she told me. I think she said a hundred dollars for a half-hour or something, two hundred; either a hundred or two hundred. I can't remember. It was a long time ago.

Q. Sure.

A. But it was only going to be for a half-hour and that was it.

Q. Now you learned of Mr. Epstein, I think you just told me, through [redacted] is that correct?

A. I learned of him through [redacted].

Q. Okay. So I guess we can assume then that Mr. Epstein, prior to your going over there, never called you on the telephone?

A. Never knew who I was until I saw him, that I know.

Q. I understand. You never received an e-mail from Mr. Epstein prior to going over there?

A. No.

Q. You never had any kind of Internet contact with Mr. Epstein before going over there?

A. No contact at all.

Q. Okay. You never spoke to anyone that worked for Mr. Epstein prior to going over there?

A. No.

Q. Never had any kind of e-mail contact with anyone that worked for Mr. Epstein before going over there?

A. No.

Q. And again, never had any kind of Internet contact with anyone that worked for Mr. Epstein before going over to his house?

A. No.

Q. Okay. So [redacted] told you that you could go over to Mr. Epstein's house and do a straight, legitimate massage, correct?

A. Yes.

Q. And that there would be no physical or sexual contact in any way?

A. Right.

Q. And I assume that was important to you to, to make sure that there would be no sexual contact?

A. Yeah. I mean [redacted] was one of my good friends. She was one of my best friends at the time and I trusted her word, and what she told me sounded legitimate and legal, to my understanding. I wasn't doing anything out of the way. So I believed it wasn't too bad to do to clear my bank account up and get that straightened out.

Q. Okay. And when I talked to you about -- you know, I'm not a technology guy. But when I talk to you about e-mail and phone contact, I'm including text mail messages and any other kind of contact the way you guys use it.

A. No contact whatsoever.

Q. Okay. So there was no contact at all?

A. No.

Q. Okay. Now, I think you just what answered the question, but let me just ask -- I'm going to do what I told you I wouldn't do; I'm going to ask it to you in legalese. Before going over to Mr. Epstein's house, did anyone try to persuade you to engage in that kind of sexual activity or sex with Mr. Epstein?

A. No.

Q. Okay.

A. When [redacted] had -- because [redacted] was the one that had drove me over there --

Q. Right.

A. -- [redacted] told me that [redacted] would be the one driving me -- they were following -- and [redacted] had said that if -- he might ask if I wanted to do anything else, that it was up to me, I could say yes or no. She said, "He may ask you to do other things."

Q. But no one was asking you before you --

A. No one was telling me that I had to do anything. She was just stating that it was a possibility he may ask me to do other things.

Q. Most importantly though, before you went over there, no one tried to persuade you to engage in any kind of sex?

A. No, no one persuaded me.

Q. No one was inducing you or enticing you to do any kind of sex?

A. No.

Q. Okay. And certainly no one that had any association with Mr. Epstein tried to persuade you or induce you to engage in any kind of sex?

A. No.

Q. Okay. As far as what [redacted] said to you, she said he may ask you whether you want to do anything and it was totally within your rights to decide?

A. Totally within my rights to do whatever I wanted to do.

Q. And I assume she told you that if anything was asked of you, whether you wanted to do anything else, I assume [redacted] told you that Mr. Epstein would absolutely respect that. In other words, if you were asked to do anything and you said no, he would say, "Fine. I understand."

A. Yeah. Because he told me in the room if I didn't want to -- whatever I didn't want to do, just say no and he said that was fine.

Q. Okay.

A. That's what I was understanding.

Q. Okay. But that conversation only took place after you got to his house, right?

A. Yeah, right.

Q. Okay. And going back to, to [redacted], she never communicated to you, with you by e-mail or text messaging about any engaging in any kind of sexual activity?

A. No. It was just that day that I had decided that I was going to go over there that [redacted] had took me over to [redacted]'s house and then [redacted] had drove me there and [redacted] and [redacted] followed.

Q. Okay. I know the answer to this is obvious, because you only went there to Mr. Epstein's house one time, but I've got to ask you this. You never traveled anywhere with Mr. Epstein, did you?

A. No.

Q. You never left the state to meet with Mr. Epstein, did you?

A. No. Heard other girls did.

Q. Okay. Ms. Sanchez just reminded me of a question I forgot to ask.

You never spoke to [redacted] on the

telephone at any time, did you?

A. No.

Q. Thank you.

So I think what I'm hearing you tell me is that your going over there was entirely voluntary; it was consensual on your part?

A. It was consensual on my part, yes.

Q. No one told you that you had to dress in any particular way?

A. No. I was wearing jeans and a tee shirt.

Q. Kind of like today, right?

A. Exactly.

Q. Now, you were told that you didn't have to take your clothes off, right?

A. Yeah. She was -- well, they told me it was up to me. They said that it was just going to be a massage. They didn't tell me anything further than that. They said if he did ask me, it was entirely up to me.

Q. Right.

A. And that was that.

Q. Right. And you were told you could say no to anything if anything was asked?

A. Yes.

Q. And that was clearly the atmosphere that existed when you went to the house?

A. Uh-huh.

Q. Anything that was done was totally your decision?

A. Exactly.

Q. All right. Great.

Now you never -- during the one time that you were with Mr. Epstein, you never told him at any time that you were uncomfortable with him in any way, did you?

A. No.

Q. You weren't afraid to say no to him about anything, were you?

A. Nothing. Or anybody.

Q. Did he ever touch any of your private parts at all?

A. No.

MR. GOLDBERGER: Let's go off the record for a second.

(Discussion held off the record.)

MR. GOLDBERGER: Back on the record.

BY MR. GOLDBERGER:

Q. Did Mr. Epstein ever grab you in any way?

A. No. He never touched me physically.

Q. Great.

And he never tried to put your hand in any particular place?

A. No. I massaged his back, his chest and his thighs and that was it.

Q. Okay. Now while you were with Epstein, did he touch his penis at all?

A. No, he did not.

Q. Did he masturbate in front of you?

A. No.

Q. And you didn't touch his penis, I assume?

A. No.

Q. You didn't help him masturbate?

A. No.

Q. And certainly --

A. Sorry. He was too old.

Q. I hear you. And I'm sorry to ask these questions that are so obvious.

A. It's your job.

Q. Mr. Epstein did not have any sex with you in any way?

A. No.

Q. You didn't have any kind of oral sex with him?

A. No.

Q. Okay. Did Mr. Epstein ever penetrate you in any way with his finger or anything?

A. No.

Q. And I would assume based on what you've been telling me, that Mr. Epstein never threatened you in any way?

A. No.

Q. In fact, I think you described him as being a nice guy, right?

A. He was a nice guy. I mean I'm not going to sit here and actually defend him, because I know he was wrong for some parts maybe in his case, but as far as I go, it was -- he was not threatening me. He didn't make me do anything that I didn't want to do. I said no if I didn't want to do something and --

Q. So clearly, you were not afraid when you were there or anything like that?

A. No.

Q. All right. And Mr. Epstein didn't offer you drugs of any kind?

A. No.

Q. Okay. He didn't offer you any alcohol?

A. Nothing.

Q. And I think you told me already -- but let's make sure we're clear on the record, -- you went to Mr. Epstein's house one time and one time only, correct?

A. Correct.

Q. And that's the only time that you've ever seen Mr. Epstein?

A. Correct.

Q. Okay. And you certainly never called the police as a result of this?

A. No.

Q. And you never contacted the State Attorney's Office?

A. No.

Q. Did Mr. Epstein ever contact you after the massage?

A. No.

Q. Okay. Had anyone that's associated with Mr. Epstein or did anyone associated with Mr. Epstein ever contact you after the massage?

A. No, besides [redacted], which was my best friend. I always talked to her. She asked if I ever wanted to go back again and I told her no. And she was just asking me that as a friend question, not to ask me if I was actually willing to go back over there.

Q. She wasn't speaking as a representative of Mr. Epstein?

A. Right.

Q. It was just a friend --

A. Right, just a friend conversation.

Q. Okay. Now before you went over there you were told that you had to be 18 to go over to Mr. Epstein's house?

A. Yeah.

Q. Okay.

A. As I believe, I was 17, they told me to tell him that I was 19.

Q. Okay. So you were told to say that you were somewhat over 18?

A. Yes. [redacted] told me to say that I was 19.

Q. Okay. Do you remember whether you told Mr. Epstein whether you were 18 or 19?

A. I told him I was 19.

Q. I see. And you were not 19 yet at that time?

A. No.

Q. You were, I guess, 17?

A. I think 17.

Q. Okay. But you certainly wanted Mr. Epstein to believe that you were 18 years or older when you went there?

A. Yeah, because my interest was getting the money and clearing my debt.

Q. Okay. You certainly didn't want Mr. Epstein to say, "I'm not going to pay for a massage if you're under 18"?

A. Right. And I know he probably wouldn't if --

Q. Okay. And clearly, you had some debt based on what your boyfriend had done to you and you wanted to get paid for this massage?

A. Correct. He swiped out my bank account and I needed a way to come up with $200 that was over my bank. So I'd get paid 300. I put 200 in my bank and I believe I gave [redacted] a hundred for taking me.

Q. Given your debt situation, it was important to you to convince Mr. Epstein that you were over 18, because you wanted to do this job?

A. Correct.

Q. Gotcha. Okay.

Believe it or not -- let me just check with Ms. Sanchez, -- but I think I've got everything covered here.

A. I don't believe it was so much Epstein as it was the girls that were working for him, that were bringing in the service, because the girls were the ones telling everybody to lie, to bring in the business so that they could get paid. I know he was traveling them back and forth and renting them rental cars.

Q. So I think what you're telling me is that you really believe that Mr. Epstein was relying on what the other girls were doing to make sure that the women that were brought --

A. For the most part, yes. I believe that -- I mean of course that this is what he wanted and this is what he set up.

Q. Uh-huh.

A. But I believe he had the girls doing all the work for him, so that they were the ones that were more getting in trouble for bringing in the business than him.

Q. But it's clear from what you saw the one time you were there, that Mr. Epstein was relying on others to make sure that the women that were brought over were over the age of 18?

A. Yeah; because he wasn't contacting me. And in other words, they were telling me to lie to him, to tell him that I was older, so I mean from what he knows, everybody was over-age.

Q. Correct.

Okay. You've understood all the questions I have asked you today, right?

A. Yes.

Q. Any questions about what I've asked you?

A. No.

Q. Okay. I really, really appreciate your coming in here today. We got this done much quicker than if we had to go to the courthouse to do it.

A. Thank you.

Q. I didn't coerce you in any way to give any particular answers, did I?

A. No.

Q. All I asked you to do was tell the absolute truth?

A. I'm fine. That's good.

Q. And that's what you did, you told the truth?

A. Told the truth.

MR. GOLDBERGER: [redacted] thanks so much for coming in today. I appreciate it very much.

THE WITNESS: No problem.

MS. SANCHEZ: Thank you.

(Thereupon, the sworn statement was concluded at 12:15 p.m.)

- - -

THE STATE OF FLORIDA,)
COUNTY OF PALM BEACH.)

I, the undersigned authority, certify that [redacted] personally appeared before me on the 21st of March, 2008 and was duly sworn.

WITNESS my hand and official seal this 22nd day of March, 2008.

Judith F. Consor

RealLegal Notary for E-Transcript

Judith F. Consor, FPR
Notary Public - State of Florida

C E R T I F I C A T E

The State Of Florida,)
County Of Palm Beach.)

I, Judith F. Consor, Court Reporter and Notary Public in and for the State of Florida at large, do hereby certify that I was authorized to and did stenographically report the sworn statement of [redacted] [redacted] that a review of the transcript was not requested; and that the foregoing pages, numbered from 1 to 19, inclusive, are a true and correct transcription of my stenographic notes of said sworn statement.

I further certify that said sworn statement was taken at the time and place hereinabove set forth and that the taking of said sworn statement was commenced and completed as hereinabove set out.

I further certify that I am not an attorney or counsel of any of the parties, nor am I a relative or employee of any attorney or counsel of party connected with the action, nor am I financially interested in the action.

The foregoing certification of this transcript does not apply to any reproduction of the same by any means unless under the direct control and/or direction of the certifying reporter.

DATED this 22nd day of March, 2008.

Judith F Consor

Judith F. Consor, Court Reporter
Florida Professional Reporter

[redacted]

[redacted]

[redacted]

[redacted]

TAB 6

IN THE CIRCUIT COURT OF THE FIFTEENTH JUDICIAL CIRCUIT
IN AND FOR PALM BEACH COUNTY, FLORIDA
STATE OF FLORIDA

STATE OF FLORIDA,

vs.

JEFFREY EPSTEIN,
Defendant.

TRANSCRIPT OF TAPED STATEMENT OF [redacted]
4-24-07

Transcribed by:
Vicki S. Woodham, Court Reporter
Notary Public, State of Florida
Consor & Associates
1655 Palm Beach Lakes Boulevard, Suite 500
West Palm Beach, Florida 33401
Phone - 561.682.0905

(Taped statement as follows:)

AGENT RICHARDS: This is Special Agent Jason Richards with the FBI along with Special Agent Nesbit Kirkendul and Assistant United States Attorney Marie Bilafonia here to conduct an interview with Ms. [redacted] Also present is her attorney, Jim Eisenberg and Carrie Sheehan.

MR. EISENBERG: And we are here -- This is Jim Eisenberg and my investigator, Ms. Sheehan is here. And we're here pursuant to a subpoena that was served on me for [redacted] and that's why we're here. So Ms. Bilafonia, it's your show.

MS. BILAFONIA: Okay, great.

AGENT RICHARDS: I also want to add that the date is 4-24-07, and the time by my watch is 4:21 p.m.

BY AGENT RICHARDS:

Q. [redacted] we just want to start off and I'll lead off first. We just want to get some basic info about you, simple stuff. I've got your date of birth as [redacted] is that correct?

A. Yes, sir.

Q. I just want to get like your basics like that stuff first. Your current address?

A. [redacted]

[redacted]

Q. You have a cell phone or --

A. [redacted]

Q. And home phone?

A. Only cell.

Q. Only cell, okay. Now have you had other cell phone numbers in the past and do you know any of those?

A. [redacted] that's the only one I can remember.

Q. Okay. But you had some others?

A. Uh-huh.

Q. Okay.

BY MS. BILAFONIA:

Q. Who's your service provider?

A. Metro.

Q. Metro. And for that other number as well?

A. Yes.

BY AGENT RICHARDS:

Q. Where did you go to high school?

A. [redacted]

Q. And what year did you graduate?

A. [redacted]

Q. What year was that that you dropped out, do you remember?

A. No.

Q. What year were you supposed to graduate, your class?

A. [redacted]

Q. Okay.

A. I had got my GED.

Q. When did you get that?

A. About three months ago.

Q. And are you going to college anywhere currently?

A. Not right now.

Q. Plans?

A. I have plans.

BY MS. BILAFONIA:

Q. Where are you thinking about going?

A. I'm not positive what I want to do. There's a lot of things on my mind, but right now I'm focusing on my son. I have a two year old so right now I'm just working.

AGENT RICHARDS: He's a handful?

THE WITNESS: Yeah.

AGENT RICHARDS: I have one, too.

THE WITNESS: Yeah. So in the future, I'm definitely going to go to college. I'm going definitely going to go to school. But I have, you know, a modeling career going on right now that's hopefully going to -- some of you will notice me,

hopefully, and that would be great, but I don't
know.

BY MS. BILAFONIA:

Q. Where else are you working?

A. I work for Advanced Cleaning Systems. They clean carpets.

AGENT RICHARDS: Advanced what was it?

THE WITNESS: System Cleaning.

BY MS. BILAFONIA:

Q. And where are they located?

A. Las Palmas, 11 Swanee, S-w-a-n-e-e, Swanee Drive.

Q. Are you working in an office there or do you go out to people's homes?

A. I work in an office there.

BY AGENT RICHARDS:

Q. Obviously, you know why we're here and what we want to talk about. So let me just kind of lead into do you know Jeffrey Epstein?

A. Yes.

Q. Yes, of course, you do. Now when did you meet Jeff? Does he go by Jeff or Jeffrey or --

A. Jeffrey.

Q. Okay. When did you meet him and who introduced you to Jeffrey?

A. My girlfriend, [redacted], introduced me to Jeffrey.

Q. Do you know her last name?

A. No. She was a friend of one of my friends, so I really didn't know her.

BY MS. BILAFONIA:

Q. When was that?

A. I really couldn't tell you. I don't even remember. It's been so long ago.

BY AGENT RICHARDS:

Q. So [redacted] introduced you to him. Was it at a party setting or how did you guys meet?

A. No. She came to me and she said hey, would you like to make a couple dollars and I said sure. I said doing what? She said, Well, I know this Jeffrey. He lives on Palm Beach Island and I bring girls there and he likes massages and I was like okay. So I asked her, I said well, what about my age? And she said well, just make sure that you tell him that you're 18. And I had a fake ID at the time and we went there.

Q. Okay. And about what time period was it that you went over there first, do you remember?

A. What time period?

Q. Yes. As far as what year was that that you were in school?

A. I was 16.

Q. Sixteen.

BY MS. BILAFONIA:

Q. Were you a freshman or a sophomore, do you remember?

A. I couldn't tell you. I couldn't tell you. Probably a sophomore.

Q. Now you said that [redacted] told you that he likes massages. Did she elaborate on what types of massages?

A. She said sometimes he likes topless massages, but you don't have to do anything you don't want to do. He just likes massages.

Q. And do you know whether [redacted] had given him massages?

A. Yeah, she said she's done it before.

Q. And do you know whether [redacted] had taken any other girls over to see Jeffrey?

A. Yes, she probably did.

Q. Did she tell how much you would make?

A. Yes.

Q. What did she tell you?

A. We go there and we make $200 in 30 minutes.

Q. Now you said that you asked her, you know, what -- do I need to be worried about my age. Why did you ask

her that?

A. Because I don't want to be -- you know, it was like I was underage and I was young and I was pretty stupid and I didn't want to get -- I didn't want to get in trouble, so I always made sure -- I had a fake ID, anyways, saying that I was 18. And she just said make sure you're 18 because Jeffrey doesn't want any underage girls.

BY AGENT RICHARDS:

Q. Now [redacted] did she -- where did you meet her at? In school? What setting?

A. I was at a friend's house, my girlfriend's house. I don't know what girlfriend's house it was. Everybody was just hanging out. And she said -- she came up to me and she asked me. She said, do you want to make a couple bucks and I said sure.

Q. And after the first time that she took you over there to meet Mr. Epstein, did she ever call you again to set up any appointments with him or anything like that?

A. No.

Q. Did she ever call you on the phone is what I'm asking?

A. No, I gave Jeffrey my number. And I said, you know, any time you want me to give you a massage again, I'll more than welcome to.

BY MS. BILAFONIA:

Q. So [redacted] took you that first time, but then after that you communicated directly with Jeffrey?

A. Uh-huh.

Q. Tell us about that first time that you went to his house. Who -- how did you get there?

A. One of [redacted]'s friends and they dropped us off and then we went. You know, we got escorted up to the massage room and he told me everything. He said, Listen, I like massages. And we had the whole massage table laid out, the lotions and everything. And she was in there for the first like five minutes. And the first time I gave him a massage, she left the room and I gave him a massage. And she told me, she says he likes women topless massages. So I willingly the first time took off my top when I gave him a massage and nothing more than that. It was just a back massage and neck massage and I was out of there.

Q. Okay. Let me just ask you a couple of follow-up questions. You said that someone escorted you up to the room. Do you know who that was?

A. One of -- what's her name? Actually, [redacted] [redacted] just said, you know, it's up there and she just told me where it was.

Q. And then you said that you and [redacted] went

upstairs together?

A. Uh-huh.

Q. And [redacted] stayed in there for the first few minutes?

A. Uh-huh.

Q. Was Jeffrey already in the room by the time [redacted] left?

A. Yeah, he was in the room.

Q. Okay. Was he there when you guys showed up in the room or did he come in after you were already there?

A. He was in the room already.

Q. And you said that you took your top off. Did anybody ask you to take it off, like did [redacted] say it's time for you to take it off?

A. No, she wasn't in the room.

Q. By the time you took it off, okay.

A. I said, I told Jeffrey, I heard you like massages topless. And he's like, yeah, he said, but you don't have to do anything that you don't feel comfortable with. And I said okay, but I willingly took it off.

Q. Okay. And during that first massage, you said that you gave him a shoulder and neck massage?

A. Neck, back, shoulder, yeah.

Q. Was he face down the entire time that he got his massage?

A. Yeah.

Q. And what did you do during the massage? Did you talk or --

A. Yeah, we talked.

Q. And what would you talk about with him?

A. Well, we were just getting to know each other. We talked about how my lifestyle was, what he did for a living and just all positive things, really nice things.

Q. Okay. What was he wearing when you first came in the room?

A. I'm sorry. When he first -- when he first came in the room, he was fully clothed. And then he said, you know, wait a second. I'm going to go on the massage table and he put a towel over him just like a normal masseuse would do.

Q. Did he undress and put a towel around him?

A. Uh-huh.

Q. Okay.

A. Yeah, I didn't see anything. It was just back, neck and shoulders.

Q. And after the massage was over, you received the $200?

A. He gives money right away.

Q. I'm sorry. Was that before you started the massage or after the massage he gave you?

A. The first time, he gave me the money right away.

Q. Okay. And he's the person that paid you the $200?

A. No, it's always [redacted]

Q. [redacted] gave you the money?

A. Uh-huh.

BY AGENT RICHARDS:

Q. What's [redacted]'s last name, do you know?

A. I don't know.

MR. EISENBERG: You can't look at papers. If you think you know, you know. If you don't know, --

THE WITNESS: No, I don't know. I don't know [redacted]'s last name. He does.

BY MS. BILAFONIA:

Q. Okay. The only thing I'm confused about is you said that [redacted] didn't even take you upstairs. She just told you where you should go?

A. Uh-huh.

Q. So when did she pay you the money?

A. She paid me then and there when I first walked in the door, me and [redacted]

BY AGENT. RICHARDS:

Q. She paid you before you went upstairs?

A. Yes.

BY MS. BILAFONIA:

Q. And how much was [redacted] paid?

A. Everybody got paid $200.

Q. And after -- So after the massage was finished, you said that you had already been paid. Who asked you for your name and telephone number?

A. Jeffrey said, Well, I'd like to see you again. Can I have your number? From what I remember, I'm pretty sure he asked me for my number and I gave him my number.

Q. Okay.

BY AGENT RICHARDS:

Q. Did he write it down upstairs? He had a pen handy, I hope?

A. Uh-huh.

BY MS. BILAFONIA:

Q. On that first massage, you said that you worked on him topless. But when you first started, did you take -- what were you wearing?

A. I was wearing a shirt, a normal shirt and jeans. And I started to do a massage and I said well, I heard you like topless massages. And, of course, he thought I was 18. And he's like yeah, I do. I prefer that. And who wouldn't, you know? So I said okay and I took it off.

Q. And you took off your bra as well?

A. Yes.

Q. And you left your jeans on?

A. Yes.

Q. Okay. So you gave him a massage. Did he request you do anything special in the massage?

A. No.

Q. And he never turned over in that first massage?

A. No.

Q. So you said that that day you gave your name and number to Jeffrey. When was your next contact from him or anybody who worked for him?

A. The next day, he had called me and he said would like to come out again and I'd like to see you again. I said sure. I took a taxi there and I went there again.

Q. The following day?

A. The next day.

Q. Okay. And you said that Jeffrey is the person who called you for that appointment?

A. No, Jeffrey did not, no. [redacted] actually called me. From what I remember, [redacted] actually called me.

Q. Okay. And she said Jeffrey says he wants to see you again?

A. Yes.

Q. And then you said you took a taxi?

A. Yes.

Q. Is that how you would normally get to and from his house?

A. Uh-huh, if I didn't have friends because I don't drive, yeah.

BY AGENT RICHARDS:

Q. How did you get home the first time when [redacted] took you over? Did she get a taxi?

A. No, our friend came back and picked us up.

Q. Which friend was that?

A. His name was Brian. I don't know his last name. I really didn't know [redacted] and I didn't know her friends or whatever, but I met Jeffrey. And once I met Jeffrey, he was a very awesome guy and I just -- I don't know. I ended up giving him my number so I could -- I didn't want [redacted] or Brian to drive me anymore. I would rather go to him on my own.

BY MS. BILAFONIA:

Q. When you would take the taxis to and from, would he pay for them?

A. Uh-huh.

Q. And he would pay when you arrived?

A. Uh-huh.

Q. And then he would just give you extra money

when you left to pay for the taxi?

A. No, no. I never asked him for extra money, so I just paid for my own taxi.

Q. Okay. So from the money that he paid you for the massage?

A. Two hundred, yeah.

Q. Where were you living at the time?

A. I was living at [redacted] It's located on [redacted] So I would take, you know, straight [redacted] down to where I lived.

Q. Do you remember about how much that taxi fare was each way?

A. Twenty dollars.

Q. And did you always use the same taxi service or --

A. No, I used different taxis all the time, so --

Q. And you would just call and have them come to your house?

A. Uh-huh. I used a whole bunch of different taxis, whatever is available.

Q. So you mentioned that the second massage, was it any different than the first one?

A. Yes.

Q. How was it different?

A. When I went there, I went there by myself. And

I went up to the massage room and Jeffrey was just like regular like he was before on his stomach and he had a towel over and we started the massage and I had my top off willingly. And after the massage, he asks me the whole time. He says, Are you comfortable with me doing this and I said yes and he turned around. And this was like at the end of the massage, our 30-minutes massage, usually it was even shorter than that. And he masturbated at the end of the massage and it was like two seconds and I was just topless.

Q. And when he turned over, then did he touch you at all or was he just --

A. No. I did not touch him. He did not touch me. He didn't even want --

Q. You didn't like continue the massage while he was masturbating or anything?

A. No.

Q. Okay. I cut you off. You said he didn't even?

A. He didn't want me to touch him and he didn't touch me at all.

Q. Did he ever ask you to rub his chest or rub his nipples during the massage?

A. Actually, later on -- because I saw him for a long time. Later on, I asked him, you know, and I asked him -- I would give him -- you know, I would rub his

chest or whatever and massage him while he was masturbating, yeah.

Q. So eventually you would continue the massage and he would masturbate at the same time?

A. Yeah, but it wasn't on his lower area.

Q. No, you never touched his penis?

A. Right.

Q. Okay. So that was during the second massage. You were paid $200 again?

A. Always.

Q. Always? Every time you went there?

A. Always.

BY AGENT RICHARDS:

Q. Was it always [redacted] that paid you?

A. Sometimes Jeffrey would and sometimes [redacted] would.

BY MS. BILAFONIA:

Q. Was it usually before or after the massage?

A. After the first time, it was always after. I would go downstairs and I'd get paid.

Q. So just sort of tell us, when a massage ended, which I assume was after he ejaculated?

A. It wasn't all the time that he did, though.

Q. Okay.

A. It wasn't like every time we went there he

released. Sometimes he just wanted his feet massaged. Sometimes he just wanted a back massage.

Q. Okay. But when the massage was over however it ended, you would just get dressed and go downstairs by yourself or did take you downstairs?

A. Yeah. The chef would make us food and it'd be great. And Jeffrey would get dressed and he'd come down with us sometimes or, you know, it wasn't -- we had fun. It was all positive.

Q. Okay. How many massages do you think that you gave Jeffrey?

A. I gave Jeffrey a lot of massages. I can't tell you. I saw him for a good year.

Q. And how many times -- would you see him weekly or more than once a week?

A. Yeah.

Q. More than once a week?

A. I personally would or I'd bring girls.

Q. Okay. But either you would or either a girl that you brought?

A. Yeah, uh-huh.

Q. Okay.

A. But after a while, it wasn't me anymore. I had brought girls, but I got paid $200 to bring girls.

Q. Okay. So let's talk just about when you were performing the massages. What other sorts of things would happen? You said that sometimes he would just like his feet massaged. What else would happen during those massage sessions?

A. Nothing. Everything I told you.

Q. Okay. So sometimes a back massage?

A. Sometimes he liked back massages. Sometimes he like feet massages. Sometimes he like his head massaged. He liked his head massaged a lot. Sometimes leg massages, yeah. And it wasn't every time that we went there he masturbated.

Q. Okay. Any idea half and half or less than half the time that he masturbated?

A. Less the time he masturbated.

Q. Did you always perform topless? Did you ever get completely naked towards the end or in the middle and remove all of your clothing?

A. I would wear panties. Willingly one time because we were making jokes and everything and willingly one time I had, yes, I was totally nude, but I was fine with it.

Q. Okay.

A. Totally fine with it.

Q. And how did that massage go?

A. Actually, it was a foot massage and he was sitting on the couch. We didn't even have the massage table out and I gave him a foot rub and I was nude.

Q. And how much were you paid for that?

A. Two hundred every single time.

Q. Did he at any point kiss you, touch you, show any kind of affection towards you?

A. Never, never.

Q. Okay.

BY AGENT RICHARDS:

Q. Why not?

A. Why not? Why would he?

Q. You seem like a nice young lady, attractive. He never had any urges to --

A. I asked him, I said, When are you going to get married? When are you going to get married, Jeffrey? He said, I'm never getting married. He has, you know, beautiful women all the time. Why would he -- no, huh-uh.

BY MS. BILAFONIA:

Q. He never pulled you closer to him in a sexual way?

A. I wish. No, no, never, ever, ever, no, never. Jeffrey is an awesome man, no.

Q. Okay. Now you said that at some point you started bringing other girls over?

A. Uh-huh.

Q. How did that start?

A. He likes to see different faces.

Q. So he asked you if you had friends that you could bring over or other girls?

A. Uh-huh.

Q. And how did you decide who you would ask to come over?

A. All of my good-looking girlfriends and if they had friends. It's all about, you know, we were just making money and Jeffrey is an awesome guy. We just, you know -- I would tell my girlfriends just like [redacted] approached me. Make sure you tell him you're 18. Well, these girls that I brought, I know that they were 18 or 19 or 20. And the girls that I didn't know and I don't know if they were lying or not, I would say make sure that you tell him you're 18.

Q. Okay. What exactly would you tell them about what would happen after you got to the house?

A. I said he likes massages, but he prefers topless massages. But if you're not comfortable, then don't do it and it won't matter.

Q. And did any of them tell you what happened after that?

A. Always, always, I even asked them.

Q. Okay. And with the other girls, was it the same as what you did or different?

A. Yeah, yeah. I mean, well, I was more willingly to do more, you know. Like I said, I went nude for him one time. But the other girls, they practically were topless and that's all that they were willing to do. Some girls didn't want to go topless and Jeffrey didn't mind.

Q. Were there girls that you brought back multiple times?

A. A couple, a couple, but he really liked to see different faces.

Q. Okay. I'm just wondering are there some girls he really liked and others he didn't like or did he have any preferences in terms of blondes, brunettes?

A. He liked girls like me.

Q. Okay. Thin and attractive?

A. I guess. Yeah, very attractive women. And he didn't say girls. He said women all the time.

Q. Did you ever bring anybody he didn't care for?

A. Huh-uh.

Q. Yeah?

A. Yeah.

Q. How was she different than the others?

A. Black. I screwed up.

Q. How did you know you screwed up?

A. He doesn't like black women, obviously.

Q. So he let you know? He told you that?

A. Yeah, but he was still nice and he still gave her her 200 even though he didn't even have a massage by her.

Q. How did he -- he paid you $200 for bringing each girl?

A. Uh-huh.

Q. And when he told you that, I mean, that's what he told you that he would pay you $200 for bringing the girls?

A. Yeah. He said if you bring me -- if you bring me girls, I'll definitely, you know, give you money, compensate you for your time and willing to do that for me, yeah.

Q. And you said at that point you stopped performing massages for him?

A. At that point, I didn't -- it would be sporadically like. Usually, I had so many girlfriends at the time that, you know, there were some new faces to be saw. And if no one was available, then [redacted] would go.

Q. I got you.

A. So --

Q. Do you know some of the girls that you brought, some of the their names?

A. I don't remember, really. They were like not even friends. They were just associates, you know. If anything, they'd be friends of friends, so no.

Q. We have -- I don't know. We have some messages I guess that some girls' names that would call Jeffrey and leave a massage. There's some girls names that are referenced. We were just wondering if you knew them?

A. If you name them, I can probably remember.

MS. BILAFONIA: Jason, do you have that?

BY AGENT RICHARDS:

Q. [redacted] is one.

A. I don't know [redacted] Do you know her last name?

MS. BILAFONIA: We were hoping you did.

THE WITNESS: No, I don't.

BY AGENT RICHARDS:

Q. [redacted]?

A. [redacted]? No, that sounds like a black girl's name.

Q. Well, you brought a black girl. What was her name?

A. I don't know. Don't ask me.

Q. [redacted]?

A. [redacted], [redacted], yeah, I brought [redacted].

Q. Who is she? Tell us about [redacted].

A. Sabrina, we look just alike, if that's the girl I'm thinking about. We went to school together and I brought her one time and then she ended up moving so she couldn't come with me.

Q. Were you guys in the same grade or --

A. No, she was older than me.

Q. A year or two?

A. She was -- Actually, she was like 18. I don't know. She was older. She was like, you know, two ranks, two grades ahead of me.

Q. So when you were a sophomore, she was a senior?

A. I just met her in school and I told her.

BY MS. BILAFONIA:

Q. What was her last name?

A. I don't know.

BY AGENT RICHARDS:

Q. Do you know where she lived? A. I just met her in school and I told her about it.

Q. You told her about it at school? Is that where your discussion was or --

A. Well, I said give me your number. I said you can make a couple of dollars. It's real easy. And if you're comfortable with it, give me a call.

Q. Was that at school or at a party?

A. No, at school.

Q. At school. You're not sure what her last name was?

A. I have no idea.

Q. Do you know where she lived or anything like that, what car she drove?

A. No.

Q. What'd she look like?

A. What she looked like?

Q. Yeah.

A. Like me, everything, [redacted] hair, [redacted] eyes.

. (Start Side B of tape.)

AGENT RICHARDS: Time recorder is being restarted is approximately 4:50 p.m

BY MS. BILAFONIA:

Q. We were talking about [redacted] You were at [redacted] at the time?

A. No, I was at [redacted].

Q. [redacted], okay.

A. And that's where [redacted] went to school.

Q. What about a girl named [redacted]?

A. [redacted] who?

BY AGENT RICHARDS:

Q. Did you bring a [redacted]?

A. I brought a couple [redacted].

Q. I want to know about every one you brought.

A. Well, one of them died recently, so --

Q. What was her name? In a car accident or something?

A. No, she died. Unfortunately, she got shot in the head. You guys probably heard it on the news. She got shot in the head by this guy. I don't want to even talk about it because I'll cry.

BY MS. BILAFONIA:

Q. Let's talk about the other [redacted].

A. I don't even know. I don't know. I don't know. There were some girls that just I would take one time and then I would never talk to again, so I don't know.

Q. How many girls do you think you brought to Jeffrey's house?

A. That's a good question. I bring a lot, like maybe -- I don't know, maybe 30, maybe 30. It was all about the money to me at that time.

Q. Now any of the girls that you brought, did any of them leave their names and numbers and then they would get appointments directly from Jeffrey or did they always go through you?

A. They went through me, hopefully.

Q. So you don't know?

BY AGENT RICHARDS:

Q. You weren't getting paid, right?

A. I told them, I said, Don't give him your number.

BY MS. BILAFONIA:

Q. If you brought the same girl more than once, would you get paid each time you brought them or just get the initial $200?

A. Every single time I brought a girl, okay, or I referred a girl, I always got $200, always.

Q. Even if she came a second time?

A. Yes.

Q. You would get $200 every time she came?

A. Yes.

Q. Good deal. Okay. What about [redacted]?

A. [redacted] who?

Q. Any [redacted] that you brought to Mr. Epstein's house.

A. I brought a [redacted]

Q. [redacted]. Where did she go to school?

A. She didn't go to school.

Q. Okay. How did you know [redacted]?

A. [redacted] been my -- she's my friend in the past. How did I meet [redacted], at a party or she was my -- Actually, she was my baby's father's girlfriend at the time and I met her at a party.

Q. You asked her if she'd be willing to go to Jeffrey's house?

A. Uh-huh.

Q. And when -- do you remember when that would have been?

A. Actually, a couple weeks, a couple weeks. I do remember her. A couple weeks after I met him.

Q. So you brought her pretty soon after you met Jeffrey?

A. Uh-huh.

Q. And how old was [redacted]?

A. Seventeen, 17.

Q. And what happened when you brought [redacted]?

A. The same thing.

Q. Okay. Well, I know that sometimes you said that the girls would tell you what happened?

A. She went in there. She had a massage -- she gave a massage on his back. She went a couple times. He liked her. She went a couple times. The first time she told me that he didn't -- it was just like me the first time. He didn't climax at all, nothing happened. It was just a massage. And then she went, I think, like two times after that. And yeah, he masturbated, but no touching. She didn't -- there's no touching of him. No

touching of her. None of my girls ever had a problem and they'd call me. They'd beg me, you know, for us to go to Jeffrey's house because they love Jeffrey. Jeffrey is a respectful man. He really is. I mean, and he all thought we were of age, always. This is what's so sad about it.

Q. How would -- how would you make appointments for girls to go over there?

A. I'd call them and they'd say hi, do you want to go to Jeffrey's house? And they'd say yes or no and we'd call a taxi.

Q. How would you know when Jeffrey was going to be in town?

A. When Jeffrey was in town, [redacted] would call me.

Q. Did she always call when they were already in town or would she -- how far in advance would she call you?

A. They only called me when they were in Palm Beach. They never called me from anywhere. They've never called me from anywhere else. It was always when I was in Palm Beach. They'd say hi, we're down here. If you want to come and see Jeffrey, you're more than welcome to.

Q. So you wouldn't have like a specific time when you would go over, like be here at 11 or be here at two?

A. Well, I'd tell them, I'd say -- well, I mean, I'd have to work around his schedule. He'd have to work around mine. Yeah, we'd say I'll be there at three. I'll be there at four, whatever.

Q. Do you -- I know that you said you talked to [redacted] on the phone. Was there anybody else that you would talk to on the phone?

A. If Jeffrey wasn't there like if I'd call him to see how he was doing or whatever, you know, he had -- his chef would answer the phone. His maid would answer the phone. That's --

Q. But was [redacted] the only one you talked to about making appointments?

A. Uh-huh, yeah. Well, yeah, if Jeffrey wasn't available, they'd, you know, he said, the chef or you know, whoever, said Jeffrey will get back to you. Yeah, [redacted] made the appointments.

Q. So when you were calling to talk to Jeffrey, you were calling the house phone over in Palm Beach?

A. Uh-huh, yeah.

Q. And how often would you talk to Jeffrey on the phone as opposed to talking to one of his assistants?

A. Me and Jeffrey hardly ever talked on the phone. He was always busy. It was mostly [redacted] We'd talk when I would get there, you know. So it was like hey, do you

want to come in? Yes, cool, you know. Come there, no, cool, bye.

Q. Do you know someone who works for Jeffrey named [redacted]?

A. I think I met her one time.

Q. And what do you know about her?

A. She was there. And the person [redacted], I think, I'm not positive, okay. I'm pretty sure she said that she's from New York and she travels with Jeffrey, but I think I met her one time, if that's the girl that rings the bell, you know, in my head. Nadia I think is that one person I met one time.

Q. Now you said that you had teased Jeffrey about whether he was getting married. Did you ever know him to have a girlfriend or a steady?

A. No, he told me he's never been married. He's never had a girlfriend and he doesn't want to have a girlfriend.

Q. Were you ever asked to bring a girl for someone else like to give a massage to somebody else or to anyone other than Jeffrey?

A. No. I gave [redacted] a massage before.

Q. And how often did that happen?

A. I only gave [redacted] a massage like once or twice, once or twice, not that often.

Q. But anybody else, either any friends that were in town or --

A. No. See, my mother is a masseuse and I have experience massaging and he always liked my massages. So he told [redacted] about my massages and she said, yeah, I want a massage so I'd go over there. I think it was one or two times and I gave her a massage.

Q. Now when the girls were upstairs with Jeffrey in the bedroom, what would you do?

A. The chef would make me carved tomatoes, put some crab meat in it and I'd just eat, wine and dine. It was wonderful, great.

Q. And when you would talk to the chef --

A. Yes.

Q. -- would anybody else from the house be there?

A. Yes. I don't know their names. I can't remember. There were like all these foreign girls from -- like they're beautiful, beautiful models that are from different -- they have accents. And no, but it was real interesting because we'd talk. And, you know, I'd learn a lot from them and they'd learn a lot from me just being American. And no, every time I went there it was a good time. And I usually just ate or I'd go and suntan or something near the pool.

Q. And how long you would the other girl be

upstairs normally?

A. Twenty, 25, 20 to 30 minutes.

BY AGENT RICHARDS:

Q. Back to [redacted], is there anything else about her that you can remember? You were friends with her. She went three times, you think? Did she go back without going through you to set up any appointments that you know about?

A. I don't know.

Q. Okay. Were there any other [redacted] that you brought? I know you brought other [redacted] or multiple Britanys.

A. Yeah. I don't know. If you would say like a last name, then I would probably remember, but I don't.

Q. Any [redacted]? Did you bring a [redacted]?

A. [redacted], yeah, that sounds familiar. Yeah, [redacted] [redacted] yeah.

Q. [redacted]?

A. Uh-huh.

Q. What can you tell me about her? How old was she?

A. She's older than me.

Q. Do you know her from school or --

A. No. Where did I meet her? I met her in my neighborhood and I asked her if she wanted to go and

yeah, [redacted]. She was only there one time, though.

Q. Did she tell you how it went with him upstairs?

A. Yeah.

Q. What'd she say?

A. She said -- she's like ah, I don't know.

Q. She freaked out or something?

A. No, no, but he didn't want her again. He likes tall, slender and she was like short.

Q. What did she say about him?

A. She had fun.

Q. She had fun?

A. Uh-huh.

Q. What did she say happened up there?

A. She was topless and just gave a massage. He didn't, you know, climax or anything.

BY MS. BILAFONIA:

Q. Did you ever, either when you gave him a massage or any of the girls, did you ever use a big back massager or it was only manual massage?

A. No, it was only my hands. We never used anything else.

Q. Now when you were working for him, when you were going over to Jeffrey's house to give massages, did you have a boyfriend?

A. Yeah, yeah.

Q. Okay. How did he feel about you going to Jeffrey's house?

A. He was a jealous little boy, but he didn't care. Bring home the bacon.

Q. What's your boyfriends?

A. [redacted].

Q. Now I know you that you mentioned that you had a baby. Is that the baby's father?

A. No, no, thank God.

Q. Who is the baby's father?

A. [redacted]

Q. Okay, [redacted]. And were you still going to Jeffrey's when you were pregnant?

A. I would bring girls there when I was pregnant.

Q. So did -- so did [redacted] have concerns about what you were doing at Jeffrey's house?

A. No, he talked to Jeffrey over the phone. Jeffrey actually threw me my baby shower and he got me furniture and a nice rattle for my son and just really nice things, I love mommy frames.

Q. Was the shower at his house and did he attend?

A. No, no, at my house, at my house. And no, Jeffrey wasn't there. He just sent [redacted] to bring me gifts for the baby.

Q. Oh, okay.

BY AGENT RICHARDS:

Q. Did [redacted] ever go over there with you?

A. No.

Q. He stayed away.

A. No, he didn't go, no.

BY MS. BILAFONIA:

Q. Did Jeffrey ask you about boyfriends? I mean, was he curious about --

A. Yeah, we always talked about everything, yeah. Do you have a boyfriend, yeah, no, you know. We talked like friends. I don't know. Just about our life stories. You know, he probably knows my whole life story.

BY AGENT RICHARDS:

Q. Now do you still have contact with him or --

A. Who?

Q. Jeffrey.

A. No, no one's allowing me.

BY MS. BILAFONIA:

Q. Did he know that you wanted to be a model or that's what you were aspiring to be?

A. Yes, I told him. Yes, I've always wanted to be a model, yes.

Q. Did he ever say he'd help you?

A. Uh-huh, yeah. And I was -- like I said, I was

16 at the time and I felt -- like he said, you know, you can -- I will definitely take you and bring you to New York and everything because he had models there, but I

always turned it down because I was 16 and I didn't want that to get out.

Q. What did you say to him? How did you put him off?

A. I don't know. Oh, well, I don't know. No, he wasn't like begging me or anything. He asked me a couple times and I said -- I just -- there was like no say about it. I just -- I didn't go. And it wasn't like he asked me all the time. He just it's a couple times he asked. He said I'll bring you to New York or whatever we do and we can, you know, try to fulfill your dreams, but I always said no because I was young and I didn't want to screw up the 18 thing.

Q. Did -- when you got pregnant, did he react in any way? I mean, did he tell you if you want to be a model, you know, this is going to mess with your chances as a model or offer any --

A. No.

Q. I'm wondering like how much was he giving you advice? How much stuff were you really -- what did you talk about?

A. After the baby, we didn't really even talk. I

was -- I was totally -- I changed. You know, I was a bad little girl and I totally changed. My whole life changed. A couple times after I had the baby, I brought a couple girls there. It was like two times. And then me and Jeffrey really stopped talking. We just stopped talking. I had my own life and he had his, so I don't know.

BY AGENT RICHARDS:

Q. Did he ever make any arrangements knowing that you wanted to be a model or were modeling? He has a lot of connections with photographers and stuff. I mean, did he ever set up any photo shoots or anything like that?

A. No. No, because he asked me if I would like to go to pursue what I wanted to do, but like I said, for the second time --

Q. I mean in town here, not to travel to New York for a shoot or anything?

A. No. No, because I always like stood back from that because I didn't want him to know that I was 16.

BY MS. BILAFONIA:

Q. Did you ever get money from Jeffrey when you didn't either give a massage or bring a girl over?

A. Yes.

Q. Okay. When did that happen?

A. I had to pay rent and I was late on my rent.

This was before the baby. And I asked him -- I asked him for like 300. He gave me $500. I don't -- I couldn't tell you how I got it. If anything, I think I went to the house and got it.

Q. Was he there when you went to get the money?

A. No.

Q. Do you know was he in town or did you call him?

A. I don't even -- I can't remember, but I just remember he did give me $500 for rent.

Q. Was that the only time that he gave you money that wasn't connected either to a massage or to bringing a girl?

A. He bought gifts for the baby shower. I can't remember now. Not off the top of my head, no. I never asked him for anything because I just felt -- I'm not like that, you know. I'm not a user and I'm not -- I don't like that. I've never asked him for money, so --

Q. What about presents, either birthday presents? You mentioned gifts for the baby. Any other gifts that he gave you?

A. Yeah, he gave me a -- he had went to Brazil and he came back with a whole bunch of bikinis and he told me to choose one, so I chose one.

Q. Any other gifts, Christmastime or birthdays or anything like that?

A. No.

Q. Did he give any of your friends that you brought gifts?

A. Yeah, the girl who died, [redacted] He gave her a bathing suit, too, from Brazil.

Q. We have some telephone numbers that we wanted to ask you about.

BY AGENT RICHARDS:

Q. Just to see if you recognize these or if you ever used any of these numbers that might have been old telephone numbers for you at some point. I don't know how many cell phones you may have had through the years. See if you recognize any of those.

A. [redacted] was my number.

BY MS. BILAFONIA:

Q. What was [redacted]'s number?

A. [redacted]'s?

Q. Yeah.

A. What, my baby's father?

Q. Yeah.

A. Oh, I never knew his. Always I just, you know, called him and I never knew his number.

BY AGENT RICHARDS:

Q. It was programmed in your phone?

A. Yeah. So I don't know. I just know [redacted] because that was my old number like a long time ago.

BY MS. BILAFONIA:

Q. At the time that you were bringing girls over to the house, were you also working a regular job?

A. I worked at City Pizza for a little while, but no, kind of retired and splurged. I didn't have any bills to pay. I saved. I put money in the bank, so --

Q. We had talked about [redacted] before. Do you know someone named [redacted]?

A. [redacted], uh-huh.

Q. And who is that?

A. I brought her a couple times. Who is that?

Q. I mean, did you go to school with her or how did you know her?

A. Oh, I had asked one of my friends. I said do you have any -- It was a guy friend. I said do you have any girls that are willing to give massages and I met up with her. I called her. I talked to her on the phone. I met up with her and she said yeah, cool.

Q. And you said you took her over there a couple of times?

A. Yeah, she went over there more. She went over there more than a couple times.

Q. But you brought her every time that she went over there?

A. That I know of. That I know of, yeah.

Q. Okay. Did you ever tell any of the girls that they would be going over to model lingerie?

A. No. I told them we were going to go Jeffrey's house and it's going to be a topless massage pretty much. Anything you don't want to do, you don't have to do and it's $200, badda-bing, badda-boom. You make $200 in 30 minutes.

Q. Did any of the girls complain about what happened after they left there?

A. No. You asked me that question. No, everybody loved Jeffrey.

Q. No one called you and said, I think that you should call -- I think that we should call the police?

A. No.

Q. No one told you that?

A. No, no, oh, my God. And who is that coming from?

Q. We just have phone calls that seem to contradict what you're telling us?

A. Oh, so you think that people came to me and said that I'm to call the police on Jeffrey?

BY AGENT RICHARDS:

Q. Was there anyone that thought that what Mr. Epstein was doing was inappropriate and was concerned about that?

A. Every girl that I brought to Jeffrey, they said they were fine with it. And like, for instance, [redacted] -- [redacted] a lot of girls begged me to bring them back. They wanted to come back for the money. And as far as I know, we all had fun there. We ate all the food. He gave us free bikinis. No, nothing about any cops.

Q. I mean, was there anyone that thought what he was doing may have been a little bit wrong? Not wanting to report to the police, but just saying, you know, that's kind of weird?

A. We talked about it like because we were underage, but he thought that we were 18. We were like hopefully that no one finds out. Hopefully, Jeffrey doesn't find out our age. But other than that, not calling the cops.

BY MS. BILAFONIA:

Q. Was anybody upset that he was masturbating? I know that you said you told them that they would possibly do the massage topless. They might have expected that. Was somebody shocked --

A. Yeah, of course. I mean, he always told them, okay, and I told them, too. I said if you're going to go there, then you don't have to do anything that you're not comfortable with. A couple girls when they did come out of there, they're like oh, my God, I wasn't expecting all of that, but he always asked them and I asked them. They'd say that, you know, he asked me are you comfortable with this and they'd say yes. Maybe they were scared, who knows. But yeah, they came out of there like oh, my God, that was kind of weird, you know, yeah.

Q. Were any of them upset about it?

A. Do they like regret it or something?

BY AGENT RICHARDS:

Q. Just shaken up, you know, just kind of shocked?

A. A couple of girls -- well, see, we were so young and Jeffrey didn't know that. Like the whole thing was shooken up when I brought them there. And see, I don't know. I thought that they were, you know, most of the girls that I did bring there, they were 18, 19, 20. But I remember there was a couple times that I had brought like maybe 16 year olds or something, my age. And they -- I don't know. It's like they were scared to say that they were 18. They were like what if he finds out? And they were a little shook up about that, the age thing. But and afterwards like if he climaxed or whatever, if they were like shooken up, I'm like it's okay, you know. And they were like oh, I wasn't expecting that, but they told Jeffrey that, you know,

they were comfortable with it. If anything, you know, maybe they were scared and they felt like obligated, like they didn't want to say. I was thinking that they didn't want to say like no, you know, I don't want to do that, so who knows. I wasn't up there with them, so I couldn't tell you.

BY AGENT RICHARDS:

Q. Who were the ladies who mentioned that to you who were kind of shocked?

A. Usually, the girls that I would bring like one time and I wouldn't even see them again.

Q. Can you help me out with some names, though?

A. Huh-uh, no. I can't remember her name. She's on the top of my -- oh, my God, I don't remember. I can't remember.

BY MS. BILAFONIA:

Q. None of the girls wanted to go to the authorities? Nobody was that upset that called you or spoke to you that was upset with what had happened to the point that they wanted to report it?

A. No, no. If anything, thank you, [redacted] so much because I really could use the money.

BY AGENT RICHARDS:

Q. Do you know the names of some of the girls that you brought?

A. Huh?

Q. Do you know the name of some of the girls you brought other than the ones that we've talked about right now?

A. Like I said, I can't remember because usually there --

Q. There's about 30 of them, so you've got to know --

A. No, I don't know because there were girls that I didn't even know so, you know, I just asked them. I said, Hey, would you like to make some money? Here's my number. Do you want to make money? Here's my number, you know, and that's how it went. So I don't remember the names and I really didn't care to know their names, anyway.

Q. Do you know their phone numbers?

A. Now?

Q. Yeah.

A. No.

Q. Do you know any of their phone numbers?

A. No, no, no. That was years ago.

Q. We're just trying to find any other ladies out there that we haven't already seen and you brought 30 of them and we're just trying to --

A. I don't know if I brought 30 of them.

Q. Approximate?

A. Yeah. No, I have no clue, no idea.

BY MS. BILAFONIA:

Q. Did you stay in touch with any of the girls that you brought?

A. Huh-uh.

Q. [redacted] any of the girls that we've talked about? Did you ever when you were either bringing girls or when you were giving massages, did you ever drink anything or take any drugs, whether it was prescription drugs?

A. I heard this on the news, no. It's ridiculous.

Q. You never took any drugs?

A. Never.

Q. Did any of the girls take drugs? Did you know that they were talking drugs?

A. There was no alcohol. There was no drugs, no.

Q. None of the girls that you brought were using drugs?

A. No.

Q. And just so you know, [redacted], we're not talking about necessarily crack cocaine. We're wondering if anybody was taking any prescription medication?

A. I don't know if they were taking prescription medication. That's their problem. I don't know.

Q. And you didn't give anybody else any prescription drugs?

A. No, no. When I was 16, I smoked pot, but no.

(Start of Tape 2.)

MR. EISENBERG: Okay, gang, back on the record. And I assume you mean prescription medication not for prescription purposes?

THE WITNESS: I thought you meant like for prescription, prescribed. No, I don't know.

AGENT RICHARDS: Okay.

BY MS. BILAFONIA:

Q. But you weren't taking any anti-depressants or pills or anything?

A. No, no, I just smoked pot. But I mostly went there sober. I was comfortable with Jeffrey. Jeffrey always made me feel so comfortable. I thought I was a big girl. I was 18.

Q. You said that you stopped. Why did you stop going over there? You said you had a baby and you changed?

A. Yeah.

Q. What happened?

A. Everything changed in my life, everything. I ended up getting a job and I just stopped. I just stopped. I don't know.

Q. But if you felt so comfortable, why did you stop going over there?

A. I just stopped because I have a son now and I didn't feel like it was right. First off, I was a stay-at-home mommy, okay. And what am I going to do, bring my son over there to Jeffrey's, no, you know. So I focused on my son. I had a beautiful baby boy that was my pride and joy. I didn't care for anything else. I didn't care to tell friends. I dropped all my friends. Like he asked me do I have any numbers, no, you know. If anybody does call me, that's my mother. Like it was just me and my baby boy and it's been like that ever since.

BY AGENT RICHARDS:

Q. Having a baby is a life-changing experience, isn't it?

A. Having a baby?

Q. Yes, it's full-time.

A. Awesome, I love it. I love it.

Q. Yeah, he'll be two in August.

A. Mine will be two in June.

BY MS. BILAFONIA:

Q. Is that when you started working with the company you're working for now?

A. Well, I was -- the whole time I was pregnant, I was taken care of by my baby's father. Then I was a

stay-at-home mommy for eight months. After that, I worked at LA fitness, Romeo Pizza. It's been a year now. And what do you mean, is that why I'm working?

Q. No, I just didn't know where you were working. I thought you said you had gotten a job afterwards, after the baby was born?

A. Yeah, I worked at the laundromat for a couple of days. I just like to -- I wanted to soak in my son. That's all I did and I was like a hermit crab in the house, you know. And if anybody -- I told -- I told [redacted]. I said, you know, I have a baby now and you know, I'd rather stay at home with my baby. My old man was taking care of me. I didn't care about money. Everything was good, so a new life.

BY AGENT RICHARDS:

Q. Speaking of work, when you set up appointments with [redacted] did she refer to what the girls were doing as work, like would they go over to Jeffrey's to work for massage or --

A. No.

Q. -- how did she -- were any terms used or just in general? Did she ask you if you had any girls that can work or did you have any girls that can come over? Do you have any girls that can give a Jeffrey a massage? How did she ask for these appointments?

A. All of the above: Do you have any girls that would like to come over? Do you have any girls that would like to work? Yeah, all of the above, really. I mean, me and [redacted] were really -- it's like a friend relationship. She's fun. No, it wasn't like a specific like hey, you know, do you want to come over and work, no. It was all different: massage, work, whatever.

Q. Okay.

BY MS. BILAFONIA:

Q. You said that you and [redacted] had developed a friendly relationship. Did [redacted] ever tell you what types of girls Jeffrey wanted or I think you said that sometimes she would say he likes this girl or I'm sorry, he likes this girl?

A. Yeah.

Q. What exactly -- what guidance did she give you about recruiting the girls?

A. She didn't give me guidance. Jeffrey from the get-go, I really like women like you. So when I would go searching to make money or whatever or my girlfriends, I know what an attractive person looks like and I would -- I would bring them, you know. I didn't bring any overweight people. I just knew what Jeffrey liked, you know.

Q. Did you ever talk to [redacted] massages when you

gave them, what you did, what you would do?

A. Huh-uh. I didn't know if she knew or not.

Q. I have a picture of someone and I'm just wondering if you recognize this person?

A. No. Was she a girl that was over there?

Q. Just a face that we wanted to --

A. Okay. No, I don't know.

BY AGENT RICHARDS:

Q. When you would ask the ladies if they'd like to go over to see Jeffrey, what was the percentage? How many people would say sure, that sounds good. Let's go do it. And how many would just say, no, I'm not interested. I mean, do you have -- how often when you would ask the girls --

A. It was usually girls that I brought, the girls that I had brought like first five girls, say, I would say, Listen, you know, recruit your girlfriends and it would go down the line. Recruit your girlfriends and I will pay you guys. So if I was off the wall, say I was, you know, at a club or something and I was like hey, girl, do you want to -- they'd be like you're crazy, you know.

Q. That's what I wondered, when you approached them what was the reaction?

A. But when I talked to them over the phone, if it

was one of my girlfriends' friends or one of their friends, I would tell them exactly and they'd be like okay, you know. And some girls weren't comfortable with it. You know, how your morals are or whatever, if you're comfortable with your body, if you're comfortable with giving an old man a massage for $200.

Q. For 30 minutes.

A. You know, everybody is a different person.

Q. Sure.

A. But most of the girls were -- they were like yeah, sure, yeah.

BY MS. BILAFONIA:

Q. Did you ever say anything about, you know, be careful who you talk to about this or I guess I'm wondering why, you know, were rumors going around at school or how did everything keep under wraps?

A. Everybody knew. I don't know. Everybody made jokes about it. Like it was not in school. It was more like in my neighborhood. They would call me Heidi Fleish and everybody just made jokes about it. I don't know. It wasn't -- but I didn't care.

Q. Right.

A. You know, it wasn't if you didn't get out -- it wasn't really a big thing to me at all.

Q. I guess I'm just wondering, you know, kind of

the way that this all came out was finally a parent found out about it --

A. Yeah, I heard.

Q. -- and went ballistic. How did you keep these girls' parents from finding out?

A. I don't know, probably embarrassing. They obviously liked Jeffrey that much that they didn't tell anyone.

Q. Did anybody hassle you at school? Did anybody call you Heidi Fleish at school?

A. No, no, no, I was out of school by then, No.

Q. Why did you drop out of school?

A. Well, actually, -- Why?

Q. I'm sorry. I interrupted you.

A. Because -- no, you didn't. Well, my mother had took me me out of school to home-school me. And then I had went back to a school because I was really behind because she didn't home-school me and I had got pregnant, that's why. And that's in the eleventh grade, that's when I got out because I was pregnant. And I decided that I was -- I mean, I didn't know what I was doing. I wanted to have a house. I said I'm going to have this baby. I need to have a house, a car, and I set out all my goals and that's what happened. But then I ended up getting my GED and I have a life.

BY AGENT RICHARDS:

Q. Were there ever any girls that came to you wanting to work over there that said hey, I'd like to go work over there and make $200 bucks? Did you have any of that?

A. Uh-huh.

Q. Do you remember any of their names or were they classmates or --

A. It wasn't --It wasn't involved in the school so much. It was just that [redacted] girl in the school.

Q. Okay. So she was really the only like school-related --

A. Like person from school, yeah.

Q. Okay.

A. But it was mostly out of school. So I wasn't really hanging out with the best crowd. And all the people that I did hang out with, they were dropouts. So it wasn't anything in school. It was mostly like the neighborhood people or my friend, one of my guy friends' girlfriend or whatever, you know. We were all young and stupid, but --

BY MS. BILAFONIA:

Q. Anything else? Do you have any questions for any of us, for me or --

A. No, but I hope -- I hope Jeffrey, nothing

happens to Jeffrey because he's an awesome man and it would really be a shame. It's a shame that he has to go through this because he's an awesome guy and he didn't do nothing wrong, nothing.

Q. Are you in love with him at all?

A. My God, no. I love him as a friend. I love him as a friend. He has done so much for me. No, I'm not in love with him. I tell Jeffrey, do you want to marry me with all of the money that you have.

AGENT RICHARDS: All right. At this time, we're going to conclude the interview. It is 5:34 by my watch.

MR. EISENBERG: The only thing we'll correct is that there might have been a reference to an old guy at 50 and we'll just say a more mature individual who may be in his 50s. Thank you.

(End of the tape.)

CERTIFICATE

- - -

The State of Florida,)

County of Palm Beach.)

I, Vicki S. Woodham, Notary Public, do hereby certify that I was authorized to and did listen to and stenographically transcribe the foregoing tape-recorded proceedings and that the transcript is a true record to the best of my ability.

Dated this 26th day of April, 2007.

Vicki S. Woodham
My Commission Expires:
December 08, 2010
Commission No.: DD617559

TAB 7

IN RE: JEFFREY EPSTEIN

TAPED INTERVIEW OF [redacted]

Sandy Rossi
Notary Public, State of Florida
Consor and Associates
Phone - 561.682.0905

(Thereupon, the following interview was had:)

- - -

DETECTIVE RECAREY: -- December 13th, 2005. This is ID number -- Detective Joe Recarey with the Town of Palm Beach Police Department. Present is Detective Dawson with the Palm Beach Police Department.

BY DETECTIVE RECAREY:

Q Can you state your name for the record, please.
A [redacted].
Q Spell it, please.
A [redacted]
Q Your date of birth?
A [redacted]
Q How old are you?
A Seventeen.
Q Okay. You saw I just spoke to your mom and she has given me authorization to speak to you. I am investigating a case involving a gentleman by the name of Jeffrey. You may know him as Jeff or Jeffrey lives in the Town of Palm Beach. We believe that you may have some information pertaining to his residence and/or a visit at his house. I'm going to ask you in your own words tell me exactly what happened from the beginning. I may interrupt you to ask you some more questions but before we begin, can

raise your right hand for me. Do you solemnly swear to tell the truth, the whole truth and nothing but the truth so help you God?
A I do.
Q Okay. In your words, tell me exactly how you met this gentleman in Palm Beach.
A (Inaudible) not really friends. [redacted] told me in class that she found a way of making money. You can get money. And then she said that if I ever told anybody she'd beat my ass and so I didn't even know what she was talking -- okay. She said this guy's house, a place where old guy's are. And just massage him for 45 minutes and get $200. And so she picked me up after work. We went down there. Right before we got in there she's like oh, he might ask you to like take off your shirt or something. But I didn't -- it didn't matter so I said okay. And I went in his house. A lady escorted me up to his room. Had a bed on it.
Q Okay. Let me back you up for a second.
A Uh huh.
Q You said this was right before Christmas. Christmas of last year or the year before?
A Last year.
Q Last year.
A Uh-huh.
Q So this is December of 2004, right?

A Uh-huh.
Q Okay. How old were you then?
A I think 16.
Q Okay.
A And then I went up there. He was on the phone and he just told me to massage his feet so I went over there and did it. (Inaudible) and everything and then --
Q Hold on for a second. Hold on. Take me from when you got to the house in Palm Beach. First of all, do you remember the name of the street?
A You said it before but I just can't remember.
Q Okay. Do you remember any specifics of the house?
A I know where it is if I were to go back. I could find it.
Q Okay.
A It was at the end on the left side.
Q The end on the left side? Okay. Do you remember the color of the house?
A Oh. It was too long ago.
Q Okay. I know it's been some time and we did speak once before
A Uh-huh.
Q All right. So you were walking in with [redacted]?
A Uh-huh.
Q Okay. Take me from do you go in the front door?

Do you go through the garage?
A No. You go to the side gate. You have to knock on the back door kind of.
Q Uh-huh.
A And a lady will ask you like what's your name and why you're there.
Q Okay. What's the lady's name? Do you know?
A No. I think she was the maid because she was like folding up towels and she was bringing them upstairs
Q Do you know -- can you describe her to me?
A She might be a Spanish lady. I can't remember so well.
Q Okay.
A And when you walked in, there was food on the table. They offered you food. And I waited a couple of minutes. I guess he was in another session. I don't know. Because like a girl walked out before I walked in and this really pretty lady, he walked in with two ladies and they were like, they looked like models or something and one had blond long hair and one of them came down and told me I could go upstairs. That's probably her. And as we were walking up the stairs she told me what was going to happen like well, he's going to have some lotions there and he'll probably be on the phone for a little while.
Q Okay. Did the blond lady with the long hair take

you upstairs?

A Yeah.

Q Okay. How does she take you upstairs? How did you --

A She just said follow me.

Q Did she -- did you go up a big staircase? Little staircase?

A It was like a living room. It was the kitchen and then a living room and you turned right and then it was like a staircase that would like I guess it's kind of -- like spirals.

Q Okay. Did she take you to where?

A It kind of looked like a bathroom but there was no toilets. It was a cold room and it had like a sauna in there.

Q Okay.

A A big sauna. Just a table where he was going to lay on. A place where you could wash your hands and it just kind of looked like it was a room for that.

Q Okay. Okay. So take me from there.

A He turned the lights down some and he was on the phone. He's like oh, just (inaudible) lotions are here and you can start by rubbing my feet. So I put some lotion, rubbed his feet, and then he told me to rub his calves, his legs or whatever. And then I'm trying to remember. And

Yeah, and then he wanted me to rub his back. I started up top and then he kept asking me to go lower and lower and he still had the towel on at this point and then when I got right to where his -- right above his like butt like kind of right above here --

Q Uh-huh.

A -- he like flipped over and he just told me to like start rubbing like his stomach and stuff like that and his chest and then he told me, he's like why don't you just take off your shirt and pants. I was like (inaudible), so I did that and then --

Q You had your shirt and pants on when you were rubbing his feet and calves?

A Uh-huh.

Q Okay. You took off your pants and shirt.

A Uh-huh.

Q Okay.

A And then like he got more (inaudible) and he took off his towel.

Q Okay.

A I don't really like know why he was doing that but and then he -- he was kind of like talking to me like trying to get to know me about my sex life. He's like oh, you're such a beautiful girl. He's like well what are you like when you have sex. I didn't really answer him. I was like,

well, I don't really like to do anything. (Inaudible) a massage. That's it. And he's like oh, but you're so beautiful. And he kept saying that for some reason.

Q All right. Let me stop you for a second. When he took off his towel, was he completely naked?

A Uh-huh. Yes.

Q Okay. And you were in bra and panties?

A Uh-huh.

Q Okay. Okay. Take me from there. So he took off his towel, he's telling you how beautiful you are.

A And he told me, he told me to rub his nipples like he's like oh, just pinch them or something. And I was like all right. And then he had one hand on his P.

Q Okay.

A And then he like tried rubbing on my prives (phonetic) and he had like the middle of my bra was the snap off part and he like snapped it off and he was trying to feel my boobs and then he just grabbed my thighs and he was jacking himself off at the same time and then he went down to -- should I say that?

Q Say it.

A My vagina.

BY DETECTIVE DAWSON:

Q We've heard it all.

A Yeah. And he like didn't take off my panties but

he like pushed them to the side and he's like feeling down there and he's like don't worry, don't worry, I'm not going to go in, da da da. It's so weird. I'm like anyway. And then he started rubbing down there and then he started talking dirty. He's like ah, your clit feels so hard and stuff. And I like backed away. I was like (inaudible).

Q Okay. At any time did you tell him no? Did you tell him you're not comfortable with this?

A I backed away and I said I was like well, I don't know if I should do that and I was like very hesitant and so scared that I didn't know what to do. Kind of like you just want to get it over with to get it over with. And then -- and I was feeling so tense. I guess that's why he was saying it. And then he actually stuck his fingers in there and I backed away again. He goes oh, don't worry, don't worry. And he's like okay, I'm sorry. Then he went back to the outside and he was still jerking himself off and then finally he finished himself, wrapped up his towel and said there was $200 on the counter and then there's an extra hundred for [redacted] He's like oh, I'd like to see you again. I was like yeah. I don't know.

Q Okay. Let me bring you back to when he snapped off your bra.

A Uh-huh.

Q When he snapped it off, did you take it off or did

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he slip it off of you or did you just have it on and it was just hanging?
A Yeah, it was just hanging. He had snapped it off and it was just right here.
Q Okay. At any time did he touch your breasts?
A Yeah.
Q When -- okay. So you're standing there, your bra has been unsnapped. What kind of panties did you have on? Do you remember?
A A thong.
Q A thong?
A Uh-huh.
Q He started touching you on the outside of your panties or did he move your panties to one side?
A On the outside first and then he moved, he moved them over.
Q Okay. And then he started touching you on the outside of your vagina?
A Uh-huh.
Q And he told you he was not going to go inside.
A Yeah.
Q At what point did that change?
A When he started feeling down there and then when -- pretty soon.
Q When you say fingers, did he use more than one

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finger?
A I think he used two but I don't know.
Q Okay.
A And then after I told him, I backed away and I was kind of like shaking my head no, he's like okay, I'm sorry. And then he kind of still put his fingers down there. He was just like pushing really hard on me like, I don't know, he just, it just felt like his fingers weren't in me but it was close enough to where it still felt weird.
Q How did you -- how did -- when he had his fingers inside you, you backed up to get them out or --
A Yeah. And to let him know that I don't want to do that.
Q Okay. And none of this was told to you by [redacted] that this would happen?
A No.
Q Okay.
A That's why when I got out I was freaking out but I didn't even say anything to her and then she asked me what happened and I told her what happened and she said oh, it's okay. He did that to one of my other friends I brought here. And I was like and you let him do that and still got me in there? And she's like oh, it's okay. You got $200. Does it matter? I said did you have to do that? She said no. I was like all right, then you don't know how it feels.

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She's like let's just go shopping and stuff and I was like no.
Q Okay. During this time that this was occurring, he was jerking off you said?
A Uh-huh.
Q Okay. What does that mean to you? I mean like is it something that -- do you know what masturbation is?
A Yeah.
Q Is that what you consider --
A Yeah.
Q Okay. Did you -- I'm sorry.
A That's okay.
Q Do you know what a circumcised and uncircumcised penis is?
A Umm, then (inaudible.) No. I know what it is.
Q Okay. Did you visually see his penis?
A Uh-huh. Yeah.
Q Would you say it was circumcised or uncircumcised?
A I would think it would be circumcised but I tried not to look.
Q Okay.
A I was kind of just like looking away because I didn't want to see what was actually happening.
Q Okay. You said that he had finished.
A He came.

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Q Okay.
A Because he was like a big sigh of relief like he had been done and he just got right back up and --
Q Do you know where he came on? Was it on the towel? Was it on himself? On the bed or --
A I think it was on the towel like right between his legs probably.
Q Okay. As I told you before and I explained to your mom, what he did was wrong, okay?
A Uh-huh.
Q I want to reassure you on that. Okay?
At any point did he ever ask you to leave your phone number or --
A No He didn't ask me for anything. Like I think he asked me my name in the beginning.
Q Did he know your age?
A I don't think -- he did. I think he did. Downstairs [redacted] was like oh, well, if they ask you how old are you just say you're 18 but he never asked me how old I was.
Q Okay.
A I thought you had to be a certain age to massage.
Q Do you have any formal massage training?
A No. That's why I thought (inaudible).
Q Okay. How long would you say this session lasted?

A Probably like around 45 minutes.

Q Forty-five minutes? Okay.

You said he wanted to see you again. Did the blond hair lady try to take your information or --

A He said oh, well, I think [redacted] gave my secretary your name and number and stuff and I'd like to see you again and --

Q Did anybody from the house ever call you again?

A Huh-huh.

Q Nobody ever called you?

A No.

Q Okay. So you only went there that one time?

A Yeah.

Q Okay. Is there anything else you'd like to add?

A Yes. There was another girl that like [redacted] -- there were other rumors like they were partners in doing that.

Q Who was that?

A This girl [redacted] I'm not, I'm not quite sure. My brother would probably know because she's older than us because she met her at Publix afterwards and [redacted] went and gave her some money. I think they had to share the $100 that they did. (Inaudible) a hundred bucks. And then I heard another thing at my school that there was like a rumor about this other girl it happened to. I just didn't say

anything because I didn't want anyone to know about me.

Q Do you know who the other girl was?

A I could ask.

Q No. Don't worry about it.

A Okay.

Q Did he know you went to [redacted]?

A I don't think he knew anything about me.

Q Like the questions that he asked you in trying to get to know you, what kind of question I mean other than the sexual questions?

A He didn't really ask me -- oh, wait, he asked me what school I went to. He was just asking me like how I felt because you're good at massaging, (inaudible) how I got in the business. I thought yeah, that'd be cool. And he tried to ask me so do you have a boyfriend, what do you do for fun. Pretty much like it was kind of weird how often (inaudible). How do you like to have sex. Oh, do you like it when people like touch your boobs. I said no, I don't really like when people touch my body because I'm shy and (inaudible) don't let anyone touch my boobs anyway. He did it.

Q Okay.

A But he kept asking me like about his nipples. He's like oh, that feels so good like --

DETECTIVE RECAREY: Okay. Can you think of anything else?

BY DETECTIVE DAWSON:

Q Was he in good shape? Was he a blob?

A He was old but he wasn't as muscular or anything like that. He was like a regular old guy.

BY DETECTIVE RECAREY:

Q Did he have any accents or anything or --

A Huh-huh. No.

Q Did he ever introduce himself to you?

A No. That's why I don't know who you're talking about. I guess I heard that name in front of [redacted] (Inaudible) took notes on his name or anything.

Q I know this is difficult for you and I know it was difficult from talking to you the other day and it's difficult talking to you now.

A Uh-huh.

Q But I've talked to a lot of people and I really appreciate you talking to me about this.

A Uh-huh.

Q Is there anything else you'd like to add to this statement?

A No.

DETECTIVE RECAREY: No? I'm going to go ahead and conclude this statement. The time by my

watch is 5:25 p.m.

(Thereupon, the interview ended.)

- - -

CERTIFICATE

STATE OF FLORIDA)
COUNTY OF PALM BEACH)

I, Sandra Rossi, Court Reporter, State of Florida at Large, certify that I was authorized to and did stenographically report the forgoing proceedings, and that the transcript is a true and complete record of the tape as listened to by me.

Dated this 30th day of January, 2007.

Sandra Rossi, Court Reporter

TAB 8

IN RE: JEFFREY EPSTEIN

DRAFT

TAPED CAR INTERVIEW OF [redacted]

DRAFT

(Thereupon, the following interview was had:)

- - -

MS. ROBSON: -- say anything to you about this (inaudible), right?

BY UNIDENTIFIED MALE SPEAKER:

Q You know we're not going to argue again. We're not going to keep much from you.

A I just don't want to rat anybody out. I'm not an idiot. Come on, now.

Q That wasn't more of a ratting out. It was more of a --

A Complaint?

Q You got it.

A (Inaudible.)

Q You're a smart girl.

A I'm not an idiot.

Q Yeah. No, you're not an idiot.

A So I guess karma, you know.

Q (Inaudible.) I'm kidding. I'm kidding. I don't even know who he is.

A I don't know. It's such a big -- there's so many girls out there that have worked for him it's not even funny.

Q Really?

A Like I said, some bring friends who bring friends

who bring friends.

DETECTIVE RECAREY: All right. You notified Jimmy?

UNIDENTIFIED MALE SPEAKER: I notified Jimmy.

DETECTIVE RECAREY: Give him a call. (Inaudible) 692 -- our ending mileage was 692323. I'm sorry, 6923. Our beginning mileage to head back southwest -- (inaudible). (Inaudible) white female (inaudible) same mileage 6923.

What was that?

UNIDENTIFIED MALE SPEAKER: Fire truck.

MS. ROBSON: So when will I know what's going to happen?

BY UNIDENTIFIED MALE SPEAKER:

Q Well, here's the thing. What are you doing tomorrow? Well, no, here's our goal. We would like to at least to talk to -- help me.

UNIDENTIFIED MALE SPEAKER 2: We want to try to interview some of these --

MS. ROBSON: (Inaudible.)

BY UNIDENTIFIED MALE SPEAKER:

Q Right. Tonight.

A Tonight I'm free so --

Q Okay.

BY DETECTIVE RECAREY:

Q Tomorrow you're working?

A Tomorrow I go to school from 12 to 4.

BY UNIDENTIFIED MALE SPEAKER.

Q Uh-huh.

A Wednesday I go to (inaudible).

Q Well, tomorrow what are you doing after 4:00?

A Nothing.

Q Okay.

BY DETECTIVE RECAREY:

Q Do you have to go to work?

A (Inaudible) Thursday

BY UNIDENTIFIED MALE SPEAKER:

Q Okay. We would prefer to do it sooner than later and our, our request from you at this point as we move along is really for you to make that phone call and introduce us and say, you know, these are the detectives from the Palm Beach Police Department. I've told them everything. They're on their way to your house. Do you know these girls' schedules by chance or anything like that? Do they still go to high school?

A Well, [redacted] still goes to high school. She's a senior.

Q Okay. And that's, that's who we want to speak to tonight. From what you're telling us, we're confident [redacted] will not be going and talking to Jeffrey. Depending on how

that goes we might give you a call and ask you to make another phone call for us. If we could break out the list as we drive, make sure we have a little order of obviously [redacted] based on what you're saying, should be the last on our list. We don't know if she's still --

DETECTIVE RECAREY: [redacted], she's in Orlando. We can do that one over the phone.

BY UNIDENTIFIED MALE SPEAKER:

Q Now didn't you say she was back though?

A [redacted] is back. I don't know if she has class tomorrow but I don't know if she left already or not.

Q What kind of class? Is she in college or something?

A College. Yeah, she's up in Orlando. I don't know. She might have already left. What is today? Monday?

Q Yeah

A Oh, well she might have already left today. She had class today.

Q Oh, today, yeah.

A Yeah, she does. Very rarely just to see her parents and stuff. Like she lives up in Orlando. She might come back once a month on the weekend to visit her parents.

Q Now do you talk to [redacted] at all or not really?

A I hung out with her last night. She came down from college and stuff.

DRAFT

Q Uh-huh.
A But --
Q That was Sunday night. So she was around just last night.
A She was around last night but, like I said, I don't -- she might be still here, she might be up in Orlando now.
BY DETECTIVE RECAREY:
Q Okay. What about [redacted]?
A Oh, I don't like her. I don't like her. What about her? She never worked for, she never worked for Jeffrey but she's been to his house before. She knows about it. Knows about everything that went on. She was the one that was with (inaudible).
Q Okay. Does [redacted] know [redacted]? Do they know each other?
A I don't know.
BY UNIDENTIFIED MALE SPEAKER:
Q Then [redacted] (phonetic) lives like a couple blocks away from you, yeah?
A Yeah.
BY DETECTIVE RECAREY:
Q Okay. [redacted] lives (inaudible.)
A (Inaudible.)
Q Okay. Why are you afraid of (inaudible)?

A Oh, no. I'm not afraid you know what it comes down to? It comes down to this. I'm not afraid of any of those girls but when I almost fough [redacted] [redacted] cries to [redacted] and [redacted] was brought in to our group which was stupid and instead of being mature about what happened three years ago. [redacted] was like I'm going to kick your ass, da da da, and I was like you know what? You talk a good game. Leave me alone pretty much. It got ridiculous so I had to change my number and I saw her at (inaudible) one night. She jumped me from behind. I go you didn't say anything to me all night and when she jumped me from behind she jumped me so whatever. Girls are stupid.
BY UNIDENTIFIED MALE SPEAKER:
Q All right. Who else was on that list you got there?
BY DETECTIVE RECAREY:
Q Do you know a girl named [redacted]?
A [redacted]
(Cellular telephone discussion as follows:)
DETECTIVE RECAREY: Hello? Yes. Hey, Dahlia. Okay. Right. Okay. Right, right, right, right, right, right, right. Well, that's the case, that's the situation. Right. Okay. All right. Right. We're gonna meet with her tonight. (Inaudible.) Okay? All right. Bye.

MS ROBSON: So what if [redacted]'s not home?
BY DETECTIVE RECAREY:
Q Okay. Well we'll move on.
BY UNIDENTIFIED MALE SPEAKER:
Q That's our -- right now we want you to help us with an order of who in your mind (inaudible) you're confident was 16 or maybe 17 when they went there, who probably no longer has any connections with Jeff (inaudible) who at least maybe a day might keep their mouth shut.
A Okay. Well with [redacted] I don't know how old she is because she lied about her age. She lied to me when I first met her When I was 18 she told me she was 18. (Inaudible.) Well she left her purse at my house and she told me to make sure that I didn't look in her purse. When I went through her purse I found her state license that said she was 16. So she lied to me about her age. I don't care about working for Jeffrey but --
Q We're looking for girls that went upstairs with Jeff.
A Yeah.
Q Those three or four girls, whatever you can, you know, help us out with here, that is our goal in the next let's say 24 hours.
A Okay.
Q Is to reach out to as many of those girls and it

might be as simple as we give you a call on your cell phone --
A And you call them.
Q And you say hey, we need you to call this girl and tell here we are out front because that's one thing we want to do is figure out where these girls live tonight so that we can reach out to them and say hey [redacted] we're out in front of so and so's house, can you give her a call and let her know that there's a couple of detectives outside and no, you're not kidding, they really are there and heads up. You know what I mean?
A Yeah.
Q That's what we'd like to -- we've got a half hour there if we can make some details on that so we're all on the same page, that's what we're going to do.
So how many girls was on the list that we started with?
A You asked me if I knew an [redacted]
Q We don't know -- what we're going to need is the last names of these girls as well. So if you've got some last names.
A I don't know. I mean --
Q That's okay I mean -- what about [redacted]?
A [redacted]? I've heard of a girl named [redacted] but I don't know (inaudible), you know? To my knowledge I don't

DRAFT

know. (Inaudible?)
Q No. (Inaudible?)
BY DETECTIVE RECAREY:
Q No. (Inaudible.)
A [redacted] (inaudible). Not that I know of. I know a girl named [redacted] but I definitely (inaudible) not like that.
Q (Inaudible?)
A Don't know. I know (inaudible).
BY UNIDENTIFIED MALE SPEAKER:
Q Besides [redacted] who else ended up upstairs with Jeff?
A That's it.
Q Okay.
A [redacted]
Q Okay. [redacted]
A (Inaudible.)
Q Okay. Do you know their last names?
A [redacted]s last name I don't know. I don't know [redacted]s last name. [redacted] (phonetic). [redacted] [redacted] And I know [redacted]s brother. (inaudible) [redacted] I think the last name is [redacted]. I don't know if (inaudible) or anything because I know like (inaudible). It might be [redacted]
Q (Inaudible?)
A Royal Palm (inaudible.)

Q (Inaudible?)
A (Inaudible.)
Q Do you know their phone numbers by chance or do you have them in your phone maybe or --
A Let me check. Okay. What's the first girl?
Q [redacted]
A [redacted]? [redacted] I know by heart. It's [redacted] and it's a [redacted]
Q [redacted]
A [redacted] I don't even have in my phone.
Q [redacted]?
A [redacted]. I know hers by heart. [redacted] Area code [redacted]
Q How about [redacted]?
A [redacted] no, I don't know her number at all.
Q (Inaudible.)
A --[redacted] I'm pretty sure that's her number because that's the only ones I have.
Q [redacted]?
A I know her brother's number but [redacted] I don't have her number.
Q Is that his cell?
A (Inaudible.)
Q Okay. (Inaudible.)
A Uh-huh. (Inaudible.) [redacted] will have [redacted]

Siciliano should have [redacted] because they hang out.
Q They hang out.
A Quite a bit. And you should also (inaudible) and [redacted] I know the first three digits it's [redacted] it might be [redacted] but I haven't talked to her in a while.
Q So if we start with [redacted] tonight, based on what you just said is [redacted] could introduce us to [redacted] who then could introduce us to --
A To Jen Reyes.
DETECTIVE RECAREY: [redacted] Okay. [redacted] [redacted] hangs out with [redacted] Obviously I'm going to talk to [redacted] last
BY UNIDENTIFIED MALE SPEAKER:
Q Right. We want to avoid [redacted] at all costs. So our question to you is this group of three girls --
A They all know each other
Q They know each other
A They all know each other.
Q Even [redacted]
A They know [redacted]. They know everybody. It's like a group of people who all know each other.
Q Faith (inaudible)
A The only one they might not know is [redacted] (inaudible) but...

Q All we've got is a group of girls that --
A They've all heard of each other (inaudible).
Q Now do they all go to school with each other to your knowledge?
A Some of them. Not all of them but some of them still go to school together.
Q [redacted] Does she still go to school?
A She still goes to [redacted]
Q (Inaudible.)
A [redacted] I don't know if [redacted] graduated last year or (inaudible). [redacted] I'm not quite sure. [redacted] might have graduated last year. (Inaudible.)
Q Okay. So they wouldn't have as much contact as the other group. (Inaudible) that goes to school.
A (Inaudible.)
Q My office is warm. The bullpen out there is luke warm.
UNIDENTIFIED MALE SPEAKER 2: I love the cold.
BY UNIDENTIFIED MALE SPEAKER:
Q Yeah, and it's a twenty-year old building so nothing really circulates as well as it should that old but (inaudible) in the car.
If there's anybody that we need to (inaudible). [redacted] we're not going to talk to.

DRAFT

BY DETECTIVE RECAREY:

Q (Inaudible.)

A (Inaudible) call her, open your mouth to any of them.

BY DETECTIVE RECAREY:

Q We will absolutely tell them that that they would be obstructing an investigation.

A The only one that's going to open her mouth is probably [redacted] The only one (inaudible) say anything would be [redacted].

Q Are these girls, you know, are they embarrassed about what they've done? Would they rather nobody know if it possible or are they out there flaunting it?

A They don't care.

Q Okay That was my question.

A These girls don't care. For the most part they don't care.

Q Okay

A Otherwise they wouldn't do it.

Q I tend to agree but that doesn't mean you -- everybody else (inaudible) get in on the action or (inaudible) in general.

A (Inaudible.)

Q I hear that Oh, okay. (Inaudible) call dispatch. A couple of females, (inaudible) get some addresses. After we're done with [redacted] I think [redacted] we were talking about next? (Inaudible.) Oh, okay.

A Well. I don't know (inaudible) well.

Q We should probably try her since she would be leaving. You want to try -- [redacted] is off to college.

A (Inaudible.)

UNIDENTIFIED MALE SPEAKER: (Inaudible) necessary.

(Two minutes of inaudible conversation.)

(Thereupon, the tape ended.)

- - -

TAB 9

IN RE: JEFFREY EPSTEIN

DRAFT

TAPED INTERVIEW OF [redacted]

DRAFT

(Thereupon, the following interview was had:)

- - -

BY DETECTIVE RECAREY

Q Today's date is October 4th, 2005. This is ID number 7915 Detective Joe Recarey of the Palm Beach Police Department. Present at 1301 (inaudible) Road is Detective Michael Dawson of the Palm Beach Police Department.
And can you state your name for the record?
A [redacted]
Q [redacted] how do you spell your last name?
A [redacted]
Q Okay. How old are you?
A I'm 18.
Q Eighteen. Okay. You're currently in college?
A Yeah.
Q Okay. What college are you attending?
A [redacted].
Q [redacted]. Okay. And your date of birth is?
A [redacted]
Q Okay. Can you raise your right hand for me? Do you solemnly swear to tell the truth, the whole truth and nothing but the truth so help you God?
A Yes.
Q Okay. [redacted] if you could tell me from the beginning how you met Jeffrey Epstein. I know you have some

information and we are conducting an investigation. We were here last night, spoke with your mom and dad. If you can just start from the beginning as to how you met him.
A Okay
Q And how it came about.
A I met him through my friend [redacted] **(Audio 1:26)**
Q Okay. How long ago was that?
A It was probably about almost a year ago.
Q Okay. Okay.
A And he -- I went there once with her and she gave him a massage and then she asked me if I wanted to do it and then I did it or whatever and then after that like he kind of scared me when I went there so I just decided not to go back.
Q Okay. The first time you went with [redacted] did you go upstairs with him?
A No, I stayed down in the kitchen. **(Audio at 2:03)**
Q Okay. Did [redacted] tell you that -- what was entailed as to what had to be done?
A Well she said the first time you go it's just like a massage and she said like well, the more you go supposedly the more he like expects and starts flirting with girls and that's what kind of like scared me.
Q Okay. I've interviewed other girls and they've told me pretty much the same thing about the massage but

there's more to that. More to the massage. Okay? That's why I didn't want mom to be in here. And you can talk to me about anything. Okay? Like I said, I've interviewed other people already who have told me what transpired in that room. I know it's going to be difficult for you but...
A Well, the first time I went there I did a massage and he was just asking me a lot of questions. He seemed like really nice. And then he kept like staring at me and stuff. And then like I did a massage and he just kept looking at me and he was like oh, you're being shy and I'm like yeah. And he's like do you feel uncomfortable and I was like yeah, a little bit. And he's like okay. And he said well do you want to stop, and I was like no, it's okay. And he was like why are you like being shy and I was like oh, I don't know. And then he would like change the subject and he started talking about other things. And then when we were done he said that if like I wanted to come back and do more then he would like pay me more and then I would have to talk to Haley and I could come back.
Q Okay. What kind of questions did he ask you as you were massaging him?
A He was asking about -- it was a year ago. I don't remember everything but...
Q Right.
A He was just asking me if I had any friends that

might want to give a massage and I said I don't know. Then he asked me about what I wanted to do when I grew up and stuff like that and I asked him what he did and he said he was like a scientist basically
Q Okay. Did he ever ask you how old you were?
A No. **(Audio at 4:08)**
Q No. Did he know that you were 17?
A No, I don't think so.
Q Well it would have been 16 if it was a year ago, right?
A Well it like was almost a year ago. (Inaudible) 17.
Q Okay. During the massage did you -- were you naked or --
A No. I had my clothes on
Q You had all your clothes on?
A Uh-huh.
Q Okay. Did he touch you in any way?
A He was like kind of like leaning towards it but I was like you could tell I was shy so I think that's why he didn't try. But I heard about other girls that he -- that he got flirtatious with them and he made them take off their clothes and stuff.
Q Okay. What -- that was the first time you went, right?

DRAFT

A Yeah.
Q Okay.
A Well, no. It was the second time that I gave him a massage. The first time I went up with [redacted]
Q Okay. You went upstairs with [redacted]?
A No, I was in the kitchen.
Q You were in the kitchen. That was -- you only had two times that you went there?
A Yeah.
Q The first time you didn't do anything but just sit in the kitchen?
A Yeah.
Q Who did you sit in the kitchen with?
A He had a cook that was there and he had -- there was like two other girls there that live with him.
Q Okay. Did you massage his back? Was he naked when you were massaging him?
A Well, he had like a towel around his -- his upper was (inaudible) but he had like a towel around him.
Q Okay. Did he ever remove that towel?
A No.
Q When you were massaging him he never removed the towel?
A No
Q Okay. Did you -- did he have you touch his

private area?
A No. No. I wouldn't do that. **(Audio at 5:50)**
Q You wouldn't do that?
Okay. Did he touch you in your private area?
A No. No.
Q No.
A He kept like staring at me and like, I don't know, I just felt uncomfortable and I left. But I heard other stories that like --
Q Right. I'm concerned with you. I know about other stories and I've interviewed other people have told me different things. That's why I'm trying to find out what happened to you. Okay?
A Uh-huh
Q You're the victim in this so that's why I'm trying to find out what happens to you.
A Uh-huh.
Q Okay? Who took you upstairs to the room?
A This girl [redacted] that lives with him.
Q Okay. So [redacted] took you up?
A Yes.
Q Did she tell you anything? Did she say anything?
A Huh-huh. There's a massage table and she just laid a towel down and she said that Jeffrey will be out for his massage.

Q Okay. Have you received any massage training?
A No
Q No. I have to ask.
Was [redacted] one of the two girls that was in the kitchen with you?
A Yes.
Q Okay. Did you ever go back to his house?
A Well, I just went there twice.
Q Right
A After that --
Q After that you've never come back? Never went back?
How much did you receive for the massage?
A Two hundred.
Q You received 200. **(Audio at 7:43)**
Okay. Did [redacted] explain to you what was going to be involved?
A She said the first time you go there you pretty much just give a massage, but the more you go there like the more he expects. And that's it. That scared me.
Q That's what scared you?
BY DETECTIVE DAWSON:
Q Did she say (inaudible) or did she (inaudible --
A Say didn't have to say it exactly but she implied like, you know, like taking your clothes off and stuff like

that.
BY DETECTIVE RECAREY:
Q Okay. So you didn't remove any of your clothing?
A No
Q What were you wearing? Can you remember?
A I don't know. It was a long time ago. I don't remember exactly.
Q Okay.
A I don't want to tell you wrong.
Q I know. And I know you already told your mom what happened. And like I said, I know this is hard for you but...
A I was just scared. I just didn't want my name to like --
Q Don't worry. You're not the only person I've talked to. Okay? There's a lot of people that I've talked to and I'm going to talk to.
How did you get to his house?
A With [redacted].
Q Haley. [redacted] took you the first time and you sat in the kitchen.
A Yeah.
Q What about the second time?
A The second time I drove and she came with me. Because I didn't want to --

DRAFT

Q You drove.

A Yeah.

Q Okay. What is it you drive?

A I used to have a Cavalier.

Q A Cavalier. What color?

A Red.

Q Okay. Can you describe to me what Mr. Epstein looks like? Jeffrey looks like?

A He's tall and he has like greyish/black hair and he usually wears like glasses and he has blue eyes.

Q Okay. When you massaged him, you massaged his back area?

A Yes. And I did his feet too.

Q And his feet. Okay. Did you do his legs?

A Yeah, like his calves.

Q His calves. Thigh area?

A No.

Q No. His chest area?

A No.

Q No. Can you describe what his body looks like?

A He's not fat but he's not like thin. He's like normal like average.

Q Average? Okay. Is he hairy? Is he not hairy?

A A little bit.

Q A little bit? A little bit he's got hair on his back?

A Yeah.

Q Yeah? How about hair on his chest?

A Um --

Q You don't remember? Okay.

He did not touch you inappropriately?

A No.

Q No. Did he masturbate?

A No.

Q No. Do you know what masturbate means?

A Yeah.

Q Okay. Why don't you tell me what it means just so I know so you know.

A Playing with yourself.

Q Okay. Okay. I have to make sure you understand what it means.

A Yeah.

Q Okay? I know it's difficult.

He didn't touch himself --

A No.

Q -- while you were massaging him?

A No.

Q No. Is there anything else you'd like to add?

A No. I mean I heard of other stories that he did and I don't think it's very like appropriate like --

Q Right

A -- the stories that I heard.

Q Right Well, a lot of people that I've been talking to are about your age and a couple younger than you. So that's the part that I have serious problems with.

A Yeah.

DETECTIVE RECAREY. Do you have any questions?

BY DETECTIVE DAWSON:

Q Did you see any others -- when you were there you said you talked to two girls in the kitchen. The second time you went, you went with --

A Haley.

Q Haley. Were there any other girls there?

A Yeah, there were the same two girls that were there.

Q Same two girls? Okay.

A I'm pretty sure they like live and travel with him.

DETECTIVE RECAREY: Okay. All right. Well at this time I'm going to conclude this statement. It's 11:45 a.m.

(Thereupon, the interview ended.)

- - -

TAB 10

IN RE: JEFFREY EPSTEIN

DRAFT

VIDEOTAPED INTERVIEW OF [redacted]

DRAFT

(Thereupon, the following videotaped interview was had:)

- - -

BY DETECTIVE RECAREY:

Q All right. I appreciate you coming down again. All right. The reason why I asked you to come down was that I'm investigating a case in which my investigation, I believe that you have information on Jeff Epstein. Okay?

A Okay.

Q First of all, before we even begin, let me just swear you in. Okay? Raise your right hand for me. Do you solemnly swear to tell the truth, the whole truth and nothing but the truth so help you God?

A Yes, I do.

Q Okay. Do you understand what I'm saying?

A Yeah.

Q I know you're Spanish.

A I know. Yeah.

Q I can speak Spanish.

A Yeah.

Q All right. First of all, do you remember Jeff?

A Yeah.

Q Okay. Lives on El Brillo?

A (No audible response.)

Q Okay. Why don't you tell me from the beginning

how you met him.

A Okay. It was something in high school. Everybody was like trying to make money and at the time I had two jobs I guess. That was like two years ago.

Q About two years ago?

A Yeah.

Q When you first met him?

A (No audible response.)

Q Okay.

A Yeah. I was 17.

Q You were 17 then?

A Uh-huh. **(Video at 1:37)**

Q What is it that you were told you would have to do?

A Give him a massage.

Q Okay.

A That was it.

Q Okay. Who took you there?

A Her name is [redacted].

Q Okay. All right. And do you have any formal massage training?

A No.

Q No. Did -- so [redacted] took you there.

A [redacted] didn't take me there. [redacted] took one of my friends and then Faith was the one who took me because [redacted]

couldn't take me.

Q Okay. [redacted]

A [redacted]

Q [redacted] Okay. Okay. When you got there, what happened?

A It seems really weird, the whole situation. There were more girls in the house and then they just saw me go upstairs, they show me the room, it was a massage room. Pretty normal. Then he came and, you know, I give him a massage.

Q Okay. I've talked to a lot of girls and a lot of girls have told me different things.

A Uh-huh.

Q Okay? So I'm very aware of what happens when you provide a massage. Okay?

A Yeah.

Q When you got to the house you went there with [redacted]

A Yeah.

Q Okay. How did you come into the house? Do you remember?

A What do you mean?

Q Did you go into the front door?

A Yeah.

Q Did you come through the garage?

A Well, when you go inside there's like a door. I don't know if it's the front door. I don't know.

Q Is it a wood door?

A A wood door, yeah.

Q It is a wood door?

A It's probably the back because it goes through the kitchen.

Q It goes through the kitchen?

A Yeah.

Q Okay. And you were brought into the kitchen, right?

A Yeah.

Q Who was in the kitchen there?

A Oh, my God, it's so long ago.

Q So long ago?

A Yeah.

Q Okay.

A I don't remember.

Q Do you remember any of his assistants?

A [redacted]

Q [redacted]?

A She was the one.

Q She was the one that you met with?

A And there was the one that call me and I told her I wasn't going to do it anymore. I think her name was

DRAFT

[redacted].

Q [redacted]? Okay. So when you come into the house, you go into the kitchen, you meet with some people there who takes you up --

A With [redacted]

Q You met with [redacted]?

A Yeah. Then [redacted] say sit down and tell sit down and everything. I go and call Jeffrey. That's what I was confused when you say Jeff. I don't know any Jeff. And then she takes me upstairs and [redacted] stays there and Faith stays there like all the time while I'm upstairs.

Q Okay. Okay. So [redacted] takes you upstairs. Did you use the stairs --

A Yes.

Q -- to go upstairs?

Okay. Do you recall anything weird when you were going up the stairs?

A The pictures.

Q Okay. Pictures of what?

A Naked people.

Q Naked people. Okay. Okay. She brings you into this you said it was a massage room?

A Yes.

Q Is Jeffrey already there?

A No.

Q No? What did you do next?

A I sit down there and she tells me just wait a second. Then she comes back and we put like the little bed for the massage and she's like okay, there's some lotions and he'll be right out.

Q Okay.

A Then he comes in, he's like okay. Then he knows my name already. I'm [redacted]. Then he's like okay, just a massage.

Q Okay. When he came in was he in a towel? Was he in a robe?

A No. He had like clothes. He was running or something like that.

Q Had regular clothes on?

A Yeah.

Q And he got on the table with the clothes on?

A No. He took his clothes off and he puts like a towel.

Q He put a little towel over him. Okay. So at any point did you see him naked?

A Not on the first time.

Q No. Okay. So he lays on the bed, massage bed with his towel and you start massaging him. Do you remember where you provided the massage?

A On the back and his legs.

Q On his back and on his legs. Okay. How were you dressed when you were giving the massage?

A I was in jeans and a T-shirt.

Q Okay. Okay. At any point did he ask you to remove your clothes?

A Yeah.

Q Okay. This is during the first massage?

A Yeah. And I say no.

Q And you said no. Okay. Okay. Do you continue with the massage?

A Yeah. It was kind of weird that he asked me take my clothes off.

Q Okay. So take me through then from there. You're doing the massage?

A I do the massage. After I finish he's like okay. Actually he pay me before I start doing the massage.

Q He paid. How much did he pay you?

A $200.

Q $200. At any time during when you're giving him the massage, did he ever turn over --

A Yeah.

Q -- onto his back?

A Uh-huh.

Q Okay. Tell me what happened after that.

A I massage like on I don't know how you say it.

Q In his chest area?

A On his chest, yeah.

Q During the time you're massaging him on his chest, is he touching himself?

A Yes.

Q Okay. Explain, explain that to me.

A Well, he start getting a little excited about it and he start touching himself and I told him stop, and that, that was it.

Q Okay. When you mean by touching himself, you mean he was masturbating?

A Yes.

Q And you told him to stop?

A No. I didn't tell him to stop.

Q Oh, okay. Okay. So while you're rubbing his chest, did he ever take off his towel?

A No.

Q So how would he be able to masturbate if --

A Well, like he had his hand under the towel.

Q Under. So you never saw him. Did you ever see him naked?

A No. Not the first time but I saw him like the second time.

Q Okay. Okay. Okay. So then you did your ma -- continued with your massage?

DRAFT

A Yes.
Q Okay. What else happened after that?
A Nothing else. After I was finished. Actually like it was supposed to be an hour. But the first time it was just 30 minutes.
Q Okay. The time you were rubbing his chest and he was masturbating, did he ever climax?
A No.
Q You know what I mean by that?
A Yeah.
Q Okay. How did you end the massage? Did he just say that's enough?
A Yeah.
Q Okay. Okay. So then you went back downstairs?
A Yeah. And I say to [redacted]kay, I'm done, and we left.
Q Okay. Did he ever ask you to leave your telephone number to call you back if you wanted to work?
A He asked [redacted] for my phone number.
Q He asked [redacted] for your phone number?
A Yeah.
Q Did [redacted] give him your phone number?
A (Nods head yes.)
Q Okay. Did [redacted] get paid for taking you?
A Yes.

Q How much did she get paid?
A $200
Q She got paid $200 for taking you as well. Okay. So tell me about the second time.
A Second time I don't remember who took me. I never went by myself. I was scared to go but it was kind of like the same. Same situation than the first one but he offer me more money just to take my shirt off and I didn't do it and he was the same. He did the same things and then he took his towel off.
Q Okay.
A And like after he was done like he never like got to the climax. I never saw him.
Q You never saw him?
A (Shakes head no.)
Q Okay. You were going to [redacted]
A Yeah. That's how everything started.
Q That's how everything started?
A Half of the school knew about it.
Q Half of the school knew about it? Let me, let me back up for a second. You go the second time. Who calls you to go back to the house?
A [redacted]
Q calls you Now you make an appointment to

go to go work.
A Yes.
Q Okay. The same thing, you go into the back door to the kitchen area?
A Uh-huh.
Q You meet with [redacted]?
A Yeah. And she takes me upstairs.
Q She takes you upstairs. Okay. He offered you more money to get naked?
A Yes. Well, he told me just to take my shirt off. He didn't say anything else.
Q Okay. Okay. And did you?
A No.
Q No. But that's not the only two times you'd gone. You've gone more times?
A It was like around three, four times and then I just -- I was just scared that he was gonna do something.
Q Did he ever photograph you?
A No. Not that I know.
Q Did he ever take videos of you?
A No.
Q Okay. Did you ever give the massage with any other woman?
A No.
Q Okay. Did you ever get naked while doing the

massage? Any of the massages?
A Once.
Q Once.
A But it was in my underwear. It was never completely naked.
Q Okay. You stayed in your bottom? Underwear?
A And my top.
Q And your top So you stayed in bra and panties?
A (No audible response.)
Q Okay.
A I think there was one that I take my bra off but that was it.
Q Okay. And each time you went did he offer you more monies to do more things?
A Yes. Actually I knew that because of [redacted] she (inaudible). [redacted] I don't know her last name.
Q Okay.
A Because she ask me, she says he'd offer more money if I have sex with him and I said that's never going to happen. There's no way I'm going to do that for money.
Q Okay. And by having sex means intercourse or --
A Yes. I guess. I don't know. I don't like talking about it.
Q Okay. The second time, did he offer you more money to do more things?

DRAFT

A Yeah. $100 more just to take my shirt off.
Q Okay. And you said you didn't do it.
A No.
Q Okay. Did he masturbate on the second time?
A Yeah.
Q And did he ever climax?
A Actually the second time like it wasn't that bad because he was like on the phone all the time and so he wasn't paying attention to what was going on.
Q Did he ever at any point masturbate the second time?
A No. Not that I remember.
Q Did he ever ask you any questions or speak to you or ask you anything?
A Well, he tried to talk to you just to make you comfortable with the situation like where do you work and like how much do you make at your work and then he start saying you can make more with me, but I didn't feel like it was right.
Q Did he ever know your real age?
A After a while like because somebody told him.
Q That you were --
A Yeah.
Q -- 17?
A Like [redacted] told us, we were supposed to say we were 18.

Q And who told you that to say that?
A [redacted] **(Video at 14:57)**
Q
A was the one who brought everything to everyone at school. That's how we know about it. Then she took [redacted] and [redacted] took me. **(Audio 15:02)**
Q Okay. So each time you did go, did [redacted] get money for taking you or --
A Well, [redacted] went with me twice I guess. And that was it. Then I went with [redacted]
Q Okay. And did she make money? Did [redacted] make money for taking you to him?
A No. I was taking her.
Q Oh, you were taking her. So you brought --
A She knew about it and she ask me if I could tell her because she didn't know where it was. But I didn't get money out of that.
Q Okay. Did anybody ever help you do a massage with him?
A No. [redacted] asked me to do it with her and I didn't feel comfortable.
Q All right. All right. Talk to me about the third time you went.
A I don't remember. It was like kind of always -- it was always -- it was the same.

Q It was the same?
A It was the same.
Q Obviously more stuff happened because, you know, he paid you more to do more things, right?
A Yeah. The third time it was when I took my shirt off.
Q Stayed with your bra or were you --
A Stayed in my bra.
Q Okay.
A And that was when he paid me 300.
Q He paid you 300 for that?
A Uh-huh.
Q And same thing --
A Yeah.
Q He came in. Was he naked again?
A Yeah.
Q Okay. You gave him a massage and at that point was he still playing with himself?
A Yeah.
Q Masturbating?
A Uh-huh.
Q Okay. Do you know if at any point did he ever climax during this?
A No.

Q Okay. How would the massages end? Would he just say that's it, that's enough?
A Yeah, he would just stand up and take a shower and I could grab my things and leave.
Q Okay. All right. Talk to me about the part when you got down to your underwear
A That was the last time that I saw him.
Q When was the last time? Was that --
A It was long ago. More than six months ago.
Q You sure it's not any time sooner than that?
A I don't remember. Like I told [redacted] I didn't want to do it anymore. I was scared he was going to do something.
Q Okay. Why do you say you were scared he was going to do something?
A Because I like know he has a lot of girls and I don't know, like he was offering [redacted] more money for it. Like I think he bought her a car or something like that. She just got a car and she told me he got it for her.
Q Do you know what kind of car it was?
A I think it's a Dodge or something.
Q A Dodge?
A And then she like then had money for anything and she ended up going to Europe for like the summer.
Q Did she go with him?

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A I don't know. We never talk about it because I was -- I didn't like the whole situation.

Q Okay. Did he ever touch you?

A Yeah.

Q In what way?

A My back and my butt.

Q Did he ever, did he ever take out any toys?

A No.

Q Did he ever touch your breast area?

A (Nods head yes.)

Q Did he touch your vaginal area?

A Yeah.

Q All right. Did he touch you with his hands or with something else?

A With his hands.

Q Okay. Okay. Was this over your underwear or under?

A Over my underwear.

Q Over or under?

A Over.

Q Over. Did he ever insert his fingers in you?

A (Shakes head no.)

Q And as he was doing this, he was paying more money?

A The maximum that he paid me was 300.

Q Three hundred. And that was the last time you went?

A (Nods head yes.)

Q When he touched your breast area, you didn't have a bra on?

A I didn't have a bra on.

Q You didn't have a bra on. And your buttocks?

A Uh-huh.

Q Was that over your panties or under your panties?

A Like I have a thong on so...

Q You had thongs. Okay. All right. Did he pull you close to him?

A Yeah.

Q And all this while he was masturbating?

A (Nods head yes.)

Q Did he have you touch him?

A No. **(Video at 20:22)**

Q Aside from the massage, touch him in his penis area?

A Uh-huh. No.

Q Did you bring anyone else other than --

A [redacted]

Q -- [redacted]

A [redacted]

Q [redacted] Do you know [redacted] last name?

A No. No idea.

Q How about [redacted]

A [redacted]

Q Does she also go to [redacted]?

A Uh-huh.

Q And what about [redacted]?

A Yes.

Q Did you receive monies for taking [redacted] and [redacted]

A [redacted]

Q Did you receive money for [redacted] or --

A I don't remember. I'm pretty sure I didn't.

Q Okay. When was the last time you had contact with anyone from the house?

A Well, I don't know because she told me they were going to New York the last time we talked. The last time I went.

Q What's a while ago?

A Probably two months or more.

Q Who called you?

A [redacted]

Q And she said that she was going where?

A They were going to New York.

Q New York? Nobody else from the house has called you to say the police are looking into it?

A (Shakes head no.)

Q Okay. This case is basically an investigation, an open investigation, so I appreciate it what we discuss stays here. Okay?

A Uh-huh.

Q Don't tell anybody that we, that we talked. Okay?

A Okay.

Q Did you ever have any intercourse with him?

A No. **(Video at 22:41)**

Q No oral?

A (Shakes head no.)

Q Nothing?

A Nothing else.

Q Okay. I'm going to show you a group of photographs. I'm going to show you a group of six photographs. Okay? I'm trying, trying to see if this [redacted] is in these six photos. Okay? It's important that you look at all six of them and be sure who you pick as the person as [redacted]. Okay? She may or may not be in these six photos but it's important for you to pick the right one. Okay?

A Uh-huh.

Q Take your time looking at those six photos there.

A I don't see her.

Q She's not in those photos there?

A No.

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Q How would you describe [redacted]?

A She would be here but she's [redacted] She's [redacted] and [redacted] She looks like her but I'm not sure.

Q Okay. That's why I needed you to be absolutely sure. I appreciate you being honest and not picking anyone out because that's important. You know? You have my card, right?

A No, I lost it. Like I think I left it at my job.

Q Okay. I gave your sister one. That's my card.

A You went back to my house?

Q Yeah, I went by today. She's the one who gave me your cell. Your sister.

A You tell her what it was?

Q No. No. I just told her that you were a witness and I needed to talk to you.

A Is he going to know anything about any of this?

Q About the investigation? Eventually I'm sure he will find out about the investigation. I would appreciate it if anyone did contact you that you call me and give me just -- basically let me know that somebody called you.

A If they call me?

Q If they call you. Is there anything else you'd like to add to this statement or --

A No. I'm just scared that he's gonna know.

Q Why are you scared of him?

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A That he's gonna do something.

Q He's not gonna do anything.
What did he tell you he did for a living?

A He was in brain something. He studied the brain.

Q He's an investor and that's it. Just a money investor. That's it. It's not -- half of the things that he told some of these people, he's just a money investor. That's it. So don't be afraid. And if they do call you, just call me and let me know.

A If they ask me to come over there should I just say no? Like I don't want to go.

Q You haven't been there?

A (Shakes head no.)

Q When is the last time you said you were there?

A Like three, four months ago. Longer than that. I don't remember.

Q I think it's about three or four months ago. I think it's three or four months ago because -- is there anything else you'd like to add?

A Not really.

Q No? Okay. I appreciate you coming down. And let me walk you out.

A Is something going to happen to me?

Q No. No. I just, like I said, you're not in any trouble whatsoever. I just wanted to talk to you. I appreciate you coming down. Okay?

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A Thank you.

Q All right.

(Thereupon, the interview ended.)

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TAB 11

U.S. Department of Justice

Office of Legislative Affairs

Office of the Assistant Attorney General

Washington, D.C. 20530

November 9, 2007

The Honorable John Conyers, Jr.
Chairman
Committee on the Judiciary
U.S. House of Representatives
Washington, D.C. 20515

Dear Mr. Chairman:

This letter presents the views of the Department of Justice (the Department or DOJ) on H.R. 3887, the "William Wilberforce Trafficking Victims Protection Reauthorization Act of 2007," as introduced by Congressman Lantos on October 18, 2007. The Department has significant concerns, which are detailed below in a section-by-section analysis. The proposed legislation, as drafted, would eliminate the Department's role in several important steps in the victim identification process, and thereby negatively impact our ability to ensure the safety of victims and their families, rescue additional victims, and apprehend and prosecute human traffickers; it would broaden the criminal statutes regarding prosecution in a manner that detracts from effective enforcement efforts and raises serious federalism implications; and it would unconstitutionally intrude into Executive authority.

1. Section 102

The provision in subsection (e)(2)(B) authorizing the Director of the Office to Monitor and Combat Trafficking in Persons (G/TIP) at the Department of State to interview victims should clarify that the Director is authorized to do so only with the consent of the Attorney General in any case where an ongoing investigation or prosecution may exist. Otherwise, serious issues could arise that would complicate or even scuttle prosecution. For example, any statements made to the Director would presumptively have to be turned over to the defense and any statements that contradict statements made to law enforcement or prosecutors would be required to be turned over to the defense.

2. Section 103

DOJ finds section 103 unnecessary and duplicative of existing efforts and, therefore, opposes its inclusion in the bill. DOJ and other Federal agencies are already offering the types of assistance that are described in the section. Furthermore, the new subsection (a)(i)(3) would require the United States Government to provide "technical assistance to provide legal frameworks and other programs to foreign governments and nongovernmental organizations to ensure that foreign migrant workers are provided protection equal to nationals of the foreign country." This provision does not differentiate between legal and non-legal migrant workers, nor does it distinguish between forced labor and non-coerced migrant labor. DOJ believes that any international standard that we promote must mirror our domestic standards. Similarly, the new subsection (a)(i)(4) could be read as encouraging countries to loosen their immigration laws, something that the United States Government might not be willing to do.

Subsection (b) amends the Foreign Assistance Act of 1961 (22 U.S.C. § 2151 *et seq*) to provide specific assistance for anti-trafficking investigation and prosecution units in foreign countries. This subsection could be construed as prioritizing sex trafficking over labor trafficking. As stated above, DOJ believes that any international standard that we promote must mirror our domestic standards, which prioritize both sex trafficking and labor trafficking. Further, the amendment to 22 U.S.C. § 2152(d)(a)(2) should include a reference to labor trafficking and should, therefore, read "including investigation of individuals and entities that may be involved in trafficking in persons involving sexual exploitation or forced labor."

3. Section 104

The Department objects to the language in this section that specifies the groups with which the United States Government must consult and coordinate in offering assistance and protection to victims of human trafficking. Such language both places undue restrictions on the United States Government and could limit the Government's ability to deal with some necessary groups. It has been the consistent practice of the Department to consult widely with a range of stake holders and others before designing a program of foreign assistance on human trafficking. Such an additional requirement in the statutory language is unnecessary. We suggest that the language be amended to read, "[i]n cooperation and coordination with organizations which may include the [UNHCR], the International Organization [for] Migration, and other relevant organizations...."

4. Section 105

DOJ recommends that subsection (a) also require that the effectiveness of assistance programs be measured based on best efforts to facilitate cooperation with law enforcement, along with the other criteria.

5. Section 106

DOJ opposes the bar in subsection (b)(1) against including cases in which probation or low sentences are given. Some of the most important cases are the ones against cooperating defendants that result in minimal sentences in exchange for information or testimony. Embassies should have the discretion to take such situations into account when evaluating foreign government efforts to combat trafficking. The Department recommends amending section (b)(1)(B) by striking "shall not be considered to be an" and inserting in its place "shall be considered on a case by case basis to determine if it will be considered an" so that it will give the Secretary of State greater flexibility in evaluating the efforts of other countries.

The Department also objects to the new paragraph (11), which lists as a criterion for ascertaining whether the government in question has made "serious and sustained" efforts to eliminate trafficking "[w]hether the government has made serious and sustained efforts to reduce demand for commercial sex acts and for participation in international sex tourism by nationals of the country." We object to this language because it is vague and will, by implication, require the United States Government to evaluate itself under this "serious and sustained" standard. The Department prefers the language that was added by the 2005 reauthorization of the Trafficking Victims Protection Act, which evaluated whether countries "adopted measures" to reduce demand.

6. Section 107

Section 107(a) of the Act raises separation of powers and *Chadha* concerns. Section 107(a) would add a new 22 U.S.C. § 7107(b)(3)(D), which would limit the amount of time that a country could remain on the Tier II Watch List to two years, "unless the Secretary of State provides to the appropriate congressional committees credible evidence that" the country had taken certain steps to make significant efforts to counter trafficking. That provision further requires that "[s]uch credible evidence" shall be provided to Congress in a report.

To the extent that section 107(a) purports to give congressional committees authority to determine whether the Secretary's decision to exempt a country from the watch list is based on sufficiently "credible evidence," the provision would give the committees a role in executing the law that the Constitution does not allow. "[O]nce Congress makes its choice in enacting legislation, its participation ends. Congress can thereafter control the execution of its enactment only indirectly—by passing new legislation"—that complies with the bicameralism and presentment requirements of Article I. *Bowsher v. Synar*, 478 U.S. 714, 733-34 (1986); *see also INS v. Chadha*, 462 U.S. 919, 951-52, 958 (1983). To avoid this concern, we recommend replacing "provides to the appropriate congressional committees credible evidence" with "determines;" and replacing "Such credible evidence" with "Such determination."

7. Section 108

DOJ opposes the requirement in section 108 to create a database "combining all applicable data collected by each Federal department and agency represented on the Interagency Task Force to Monitor and Combat Trafficking." The database would contain law enforcement sensitive information, which would prevent the data from being accessible to non-law enforcement agencies, many of which are a part of the interagency task force. Furthermore, such a database would be difficult to create, particularly within the timeframe provided in the statute, because it would require information from multiple agencies that collect data in varying forms and levels of specificity.

8. Section 109

This section authorizes the President to establish an award for efforts against trafficking and directs him to establish procedures for selecting recipients of the award. DOJ opposes this provision, as it interferes with the President's policy-making authority.

9. Section 110

The Department opposes the statutory language in subsection 110(a)(1)(B) that specifically mentions the U.S. Government sponsored hotlines for reporting instances of trafficking in persons. Statutorily providing for the names of the hotlines would interfere with the President's policy-making authority to change the hotline structure at a later date. Furthermore, the Act, as written, misnames the hotlines.

10. Section 201

In section 201, the Department objects to the new subsection "(bb)." To the extent that such a subsection is necessary, a question that we defer to the Department of Homeland Security (DHS), the decision regarding cooperation should include the Attorney General in addition to the Secretary of the Department of Homeland Security, as it does in Section 201(b).

DOJ defers to DHS in regard to subsection (a)(1)(E), although we would note that by removing the "unusual and severe harm" standard, victims will be eligible for a T-visa upon a lower showing of "extreme hardship."

The Department also defers to DHS in regard to subsection (a)(2), which would extend T-visas to parents and siblings of trafficking victims. As a factual matter, however, the provision should be amended to strike any reference to "as a result of the alien's cooperation with law enforcement." Traffickers threaten victims to intimidate them into compliance with traffickers' demands and to retaliate for victims' escape, not because of law enforcement cooperation. It is counter-factual to describe the pattern of threats and retaliation as linked to law enforcement cooperation, and disregards the fact that threats often only subside when law enforcement takes measures to secure the family or punish the traffickers and their associates who threaten victims' families. Furthermore, it is unclear whether the reference to siblings encompasses both minor and adult siblings, and whether spouses and children of adult siblings would be eligible for a T-visa.

In subsection (b), DOJ opposes the new subsection (8)(B), which grants sole authority to the Secretary of DHS to consider whether "extreme hardship" exists. The new section, however, also requires consultation with "prosecutors," which presumably refers to prosecutors at DOJ, since DOJ is the lead prosecutorial agency for cases involving human trafficking. Since these prosecutors are under the Attorney General's authority, the consultation requirement should include consultation with the Attorney General.

Subsection (c)(1), which creates the new subsection (3)(A)(i) in section 107(c) of the Trafficking Victims Protection Act (TVPA), should limit applications for continued presence to those being made by "Federal" law enforcement officials. Limiting the applications to those submitted by Federal law enforcement assists in the victim identification process. The Department has established a memorandum of understanding with DHS that ensures that the Department's prosecutors are informed when investigators apply for continued presence. Furthermore, limiting the applications to those submitted by Federal law enforcement ensures the uniformity of standards in making the determination as to whether an individual is a victim of a severe form of trafficking in persons and eligible for continued presence. Finally, Federal law enforcement involvement in the process allows Federal prosecutors the ability to identify patterns of human trafficking activity that might span multiple local law enforcement jurisdictions. For these same reasons, the new subsection (3)(B) should add "Federal" before "law enforcement" to limit the authority to request parole for relatives to Federal law enforcement officials.

The new subsection (c)(3)(A)(ii) should add "endeavor to" after "shall" so that a legally actionable obligation is not created as to Federal law enforcement's role in protecting the safety of trafficking victims and family members. While the U.S. Government makes every effort to protect trafficking victims, the statutory language, as written, could be construed to create a legally cognizable right and could lead to litigation.

In the new subsection (c)(3)(A)(iii), DOJ opposes extending continued presence for the duration of a civil suit. It also raises the potential for abuse because of the lengthy and plaintiff/victim-controlled delays in conducting civil litigation. Furthermore, physical presence in the United States is not necessary for the successful maintenance of a civil action. Victims have other options to obtain status in the United States, such as T- and U-visas.

DOJ notes a technical change to subsection (d), which currently has two subsection (2)s. DOJ recommends striking the second "(2)" and replacing it with a "(3)."

11. Section 202

The Department opposes the language in section (a) that legislates the existence of a specific task force, such as the Trafficking in Persons and Worker Exploitation Task Force. DOJ recommends deletion of this reference and the replacement of the named task force with "the Attorney General."

DOJ also opposes the 120 day deadline in subsection (f) as unreasonable due to language barriers and translation needs.

12. Section 203

In subsections (a), (b)(1-2), and (c), DOJ opposes the language removing the Attorney General's role in determining whether the relevant applicant has complied with reasonable requests for assistance, an important factor in the decisions regarding T-visas, and that the investigation or prosecution is complete. Because the Department is involved in its prosecutorial as well as its investigative roles, DOJ participation is critical in assessing assistance with law enforcement, and it is well-situated to assess whether a victim has complied with reasonable requests for assistance that went through investigative agencies outside DHS, such as cases investigated by FBI or DOL. Therefore, a joint determination is appropriate because of the number of different law enforcement agencies that may be involved in a particular matter.

13. Section 205

DOJ opposes the addition of the new subsection 240A(b)(6)(A) of the Immigration and Nationality 21 Act (8 U.S.C. 1229b(b)) unless the word "Federal" is added before "law enforcement official." The same proposed subsection currently states that the Secretary of the Department of Homeland Security "shall grant parole" to the relatives of trafficking victims. DOJ recommends changing this language to read "may grant parole" so the Secretary has the latitude to make an appropriate decision. There may be reasons pertaining to the circumstances of the relatives of the trafficking victim for which the Secretary should have discretion to deny parole. Further, DOJ finds it necessary to strike any reference to "as a result of the alien's cooperation with law enforcement" for the reasons noted above.

In subsection, (6)(B)(ii)(II), DOJ opposes a statutory requirement that parole be extended during pending civil actions. As indicated above, this action would create a potential for abuse because of the lengthy and plaintiff/victim-controlled delays in conducting civil litigation.

14. Section 211

The Department opposes the change of the "and" in subsection (1)(A) to an "or." Both the Attorney General and the Secretary of DHS need to be involved in the certification process. The current certification process is well-established and needs no statutory revisions. DOJ also opposes the change in subsection (1)(B), which would remove the Attorney General's authority in stating whether a person's presence is necessary in ensuring an effective prosecution. As the agency that prosecutes cases of human trafficking, DOJ's involvement is vitally important. The Department has the same concern with the proposed change in subsection (2).

15. Section 213

We strongly oppose the language in this section that inappropriately removes law enforcement from any initial determination of victim status or benefits eligibility. DOJ and DHS play a critical role in protecting the safety of victims and service providers. Any failure to involve Federal law enforcement immediately upon suspicion that a crime has been committed could threaten the safety of the victim, impeded efforts to promptly rescue victims still in jeopardy, and possibly man that the offenders avoid apprehension. DOJ recognizes the important of including HHS at the initial stages for the purpose of facilitating prompt delivery of the full range of available benefits and services to trafficking victims. DOJ will continue to work with DHS and HHS to ensure that interagency procedures afford victims of trafficking prompt protection and access to these services.

The Department further objects to the provision set forth in paragraph (G), which would require both Federal and state law enforcement officials to inform the Department of Health and Human Services (HHS) of the existence of a potential victim, but does not require HHS, other Government officials, or non-governmental service providers to inform Federal or state law enforcement of such a victim. To the extent that such a notification procedure must exist, it must also include notification to the Attorney General and the Secretary of DHS, who bear responsibility for prosecuting and investigating instances of human trafficking.

DOJ also opposes subsection (b). Since the passage of the TVPA, DOJ has been one of the principal agencies conducting trainings for a multitude of audiences, including task forces and Federal, state, and local law enforcement, on the issue of trafficking in persons. The Department also has experience in conducting training on juvenile victims through the Innocence Lost National Initiative. Effective efforts to combat trafficking must mobilize the expertise of HHS, DHS, and DOJ.

DOJ also notes a misspelling in the new subsection (F)(ii)— "edibility" instead of "eligibility".

16. Section 214

Section 214 of the bill authorizes the Attorney General to make grants to assist victims of severe forms of trafficking up to $2.5 million in 2008, increasing to $15 million in 2011. The Department of Justice already has authority to make grants for the provision of services for crime victims and does so at a level in excess of $250 million a year. Also, the authorization of yet another grant program runs counter to the Administration's proposal in the 2008 Budget to consolidate DOJ's more than 70 grant programs.

Moreover, any provision purporting to expand or alter definitions of individuals of qualifying for victim benefits must include the requirement that a Federal law enforcement agent must declare the individual to be a victim of a severe form of trafficking in persons, and that the victim agree to cooperate in the investigation and prosecution, or that the victim be under the age of 18.

DOJ opposes the consultation requirement in subsection (a)(1) with the Secretary of State for establishing programs to serve domestic, U.S. citizen trafficking victims. Such domestic authority falls outside of the mission and expertise of the Department of State. DOJ also opposes the mandatory consultation with non-government organizations (NGOs) regarding the provision of services. This creates a conflict of interest since many of the NGOs will apply for and could receive grants under the program. Finally, any section regarding the provision of victim services must also contain language that includes organizations that provide services to "juveniles subjected to trafficking, as defined in section 203(g) of the Trafficking Victims Protection Reauthorization Act of 2005," which would ensure that the funds authorized to the Attorney General for establishment of grants will go toward the work and development of the Innocence Lost Task Forces.

DOJ opposes subsection (b) because it provides Victims of Crime Act of 1984 funds to prostitutes implicated in violations of the Mann Act (criminalizing transportation of prostitutes in interstate commerce). Such persons do not meet the legal definition of "victim" as that term is defined in the law, unless the person prostituted is under the age of 18 at the time the crime was committed or the person, through the application of another Federal statute or regulation, satisfies the legal definition of a victim. Such persons are already eligible under the Crime Victims Fund Act to receive benefits.

DOJ opposes section 214(d), as it could be construed to require the Attorney General and the Secretary of Health and Human Services to make legislative recommendations to Congress in violation of the Recommendations Clause. To avoid this concern, we recommend inserting ", if any," after "recommendations" in section 214(d)(2)(E). Further, DOJ finds subsection (d) redundant. A thorough study of services available to domestic and foreign victims was conducted by the Senior Policy Operating Group in 2005-2006 and found few statutory differences between the treatment of domestic and foreign victims.

Subsection (d)(2)(C) contains a redundant statement. Victims of sex trafficking are victims of severe forms of trafficking in persons.

17. Section 221

In subsection (a), DOJ opposes the proposed change of removing the knowledge of an age requirement for violations of the juvenile provision in 18 U.S.C. § 1591(a). This runs counter to the criminal law goal of punishing culpable states of mind. This change of law would create a strict liability crime, similar to 18 U.S.C. § 2423(a), with a similarly severe 10 year mandatory minimum sentence. However, unlike section 2423(a), subsection (a) is exceedingly harsh in that it fails to set forth an affirmative defense. Therefore, the suggested subsection (a) would create a rare circumstance wherein there is a substantial mandatory minimum sentence for an already unusual strict liability crime. Accordingly, this provision is likely to face significant legal challenges.

DOJ opposes subsection (b) in its entirety. The proposed language is both over-inclusive and under-inclusive of human trafficking activities, and the language is vague. Moreover, the provision is unnecessary because section 1589 already prohibits many of these activities when they result in "serious harm," whether physical or emotional, to the victim.

The Department opposes subsection (f)(1), which would expand the Mann Act to include cases "affecting" interstate commerce. The Department does not require any additional statutory authority or expanded jurisdiction in order to continue its successful prosecution of human trafficking cases and related criminal conduct. Federal law prioritizes crimes in which victims have been trafficked as a result of force, fraud, or coercion, including the sex trafficking of children in which coercion is presumed, i.e., crimes that fall under the Thirteenth Amendment's prohibition on slavery and involuntary servitude, and commercial sex involving transportation in interstate commerce. The Department's record during the last six years demonstrates its success in investigating and prosecuting trafficking and related crimes and in convicting and securing appropriate sentences for traffickers.

At the same time, pandering, pimping, and prostitution-related offenses have historically been prosecuted at the state or local level. This allocation between state and Federal enforcement authority does not imply that these crimes are less serious, but rather reflects important structural allocations of responsibility between state and Federal governments. The federalization of these crimes would treat them differently than other serious crimes such as murder and rape, which are prosecuted at the state level. Kidnapping, similarly, is a Federal crime only when it involves transportation "in" interstate commerce. Furthermore, the

Department is not aware of any reasons why state and local authorities are not currently able to pursue prostitution-related crimes such that Federal jurisdiction is necessary. Finally, due to the high volume of prostitution-related crimes, the Federal government lacks the necessary resources and capacity to prosecute these offenses.

Therefore, to the extent that this expansion of the Mann Act would federalize the criminal prosecution of pandering, pimping, and prostitution-related offenses, it is unnecessary and a diversion from Federal law enforcement's core anti-trafficking mission.

DOJ also opposes subsection (g), which would expand the sex tourism offenses to include those who travel for purposes of illicit sexual activity with adults. The Department's current efforts with regard to extraterritorial offenses focus on child sex tourism, which are very demanding and resource-intensive cases, requiring gathering evidence abroad, bringing victims to the United States to testify, and coordination with foreign law enforcement agencies and foreign governments generally, among other matters. Any expansion of authority would be a distraction from those priority cases and would exacerbate existing burdens on investigation and prosecution.

The Department believes that the addition of 18 U.S.C. § 2423A is unnecessary and that 18 U.S.C. § 2423 does not need to be amended.

Should Congress create 18 U.S.C. § 2423A, DOJ believes that language should be retained in 18 U.S.C. § 2423(e) that allows the Government to charge attempt or conspiracy for 18 U.S.C. § 2423(a) crimes. Finally, DOJ notes that the definition of illicit sexual conduct needs to be updated to include production of child pornography.

18. Section 222

As a general matter, the Department opposes the expansion of jurisdiction over offenses involving non-American offenders or victims that are committed outside the United States. The expansion of jurisdiction in this section would place an enormous strain on available resources. In addition, this new section's jurisdiction description overlaps with 18 U.S.C. § 3271. Should the choice be made to keep the jurisdictional provisions provided for in this section, perhaps it would be more effective to expand section 3271.

19. Section 223

These provisions are not directly related to trafficking. As this section is related to aliens brought into the country for the purposes of prostitution, without a showing of force, fraud, or coercion, and the International Marriage Brokers Act (IMBRA), this bill is not the vehicle for this language. Furthermore, subsection (a)(1) removes the requirement from section 278 of the Immigration and Nationality Act that such conduct be done in furtherance of the importation of the alien. By removing this requirement, the bill extends the statute to cover all instances of "pimping" an alien.

20. Section 224

This section misunderstands the purpose and effect of the model law and should be deleted. The Department's model law was never designed to supplant pre-existing state laws which target pimping, pandering, or prostitution, but rather to supplement those laws. At the time that the Department's model law was issued, most states had comprehensive laws addressing prostitution, pimping, and pandering. However, most states did not have laws focused on human trafficking. The Department's law was designed to raise awareness of the issue of trafficking and to encourage states to closely examine cases to ensure that cases involving fraud, force, and coercion are not labeled as prostitution offenses. The Department believes the law has been successful in accomplishing this goal.

21. Section 231

The Department opposes any statutory changes to the annual report. The change in subsection (1) is unnecessary as this language is currently included in the annual report. The information requested in the new subsection (I) would be excessively burdensome to gather.

22. Section 232

DOJ opposes this addition as unnecessary. Human trafficking laws that do not require the proof of force, fraud, or coercion, namely laws that concern minor victims of severe forms of human trafficking, are already discussed at the annual conferences. To the extent that this provision would require the Department to discuss human trafficking laws pertaining to adult victims that do not require the showing of force, fraud, or coercion, such laws would not fall under the definition of human trafficking and the annual conference would be an inappropriate venue for the discussion of such laws. However, DOJ trafficking prosecutors utilize a wide range of statutes in addition to Chapter 77 offenses to address all criminal conduct associated with human trafficking. This includes the Mann Act, money laundering, visa fraud, immigration offenses, criminal labor violations, and extortion, in addition to other criminal statutes. Accordingly, DOJ training at annual conferences, the National Advocacy Center, the National Center for Missing and Exploited Children, and field training with the Department of Justice funded Human Trafficking Task Forces and provided through the Innocence Lost National Initiative include discussion on the importance of using all available criminal statutes as essential tools in charging decisions. Thus, this section is unnecessary.

23. Section 233

DOJ opposes the change to section 206 of the Trafficking Victims Protection Reauthorization Act of 2005, which would remove the discretion of agencies in informing the Senior Policy Operating Group (SPOG) of grants. Such a change could be read as giving the SPOG oversight authority over grants. It also fails to take into consideration situations where grant-making agencies may be unable to notify the SPOG of the grant.

24. Section 234

The Department opposes subsection (a) as an excessively burdensome and unnecessary creation of a new layer of bureaucracy within our agency. The Department does not believe that there is currently any lack of coordination, and a new position could lead to duplication of efforts. Furthermore, subsection (a)(2)(A) incorrectly lists the Civil Division and not the Civil Rights Division.

25. Section 236

In subsection (a), DOJ questions the reliability of the congressional findings, especially with respect to the estimated number of victims and the inference that the lack of child victims is directly related to a lack of education individuals who may come into contact with human trafficking victims. Such findings, without a full body of evidence, are counter-productive.

The Department also opposes subsection (b). The Attorney General should be involved in any program that focuses on combating child trafficking at the border. We propose that section (b)(1) is amended to read "The Secretary of Homeland Security, in conjunction with the Secretary of State, Attorney General, and the Secretary of Health and Human Services." Further, most of the children interdicted at the border are used for smuggling and are not trafficking victims. In subsection (b)(5)(D), DOJ believes that the proceedings for removal to non-contiguous countries are problematic because DHS needs more flexibility to handle gang members, terrorists, repeat offenders, and state offenders. Furthermore, the terrorism exception provided is too narrow to protect the national security interests of the country.

We oppose subsection (c)(1) to the extent that it limits the Administration's ability to determine the best arrangement for custody or various classes of UACs. The administration will work with DHS, DOJ, and HHS to refine and modify current detention practices where necessary. The interagency process is the best forum to consider the various interests of unaccompanied minors and law enforcement and to develop and adapt policies that, among other things, provide for the safety of all concerned. We look forward to discussing these developments with Congress in the future.

The Department opposes subsection (d)(2) as too narrowly construed. There are numerous reasons, outside of the child proving to be a danger to himself or others, that require children to be kept in a secure facility, including the safety of the child from danger that is not self-imposed. In addition, the standard for placing minors in "secure" care is too strict. It requires the "least restrictive setting that is in the best interest of the child." HHS only places 1.4 percent of minors in its care into a "secure" custody arrangement. This could mean that minors who need this arrangement would instead be housed with children who have no history of violence or criminal behavior. HHS needs more flexibility and there should not, therefore, be required to make an "independent finding" of the child's danger to self or others.

DOJ opposes the language of subsection (d)(3)(c) that would afford HHS access to law enforcement sensitive databases.

The language of subsection (d)(5) must be changed from "shall ensure." This implies a legal obligation on the Federal government to provide counsel and a concomitant right on behalf of victims to government-funded counsel, which is inappropriate and would subject the government to litigation over the nature and scope of the purported obligation and right.

The Department also opposes subsection (d)(6), which creates a guardian ad litem program. Such program raises serious conflict of interest concerns, and DOJ has opposed similar language in the past. Establishment of a guardian ad litem program is also unnecessary in that 18 U.S.C. §3509(h) already sets forth detailed procedures which provide for court appointed guardians ad litem for children who are victims of or witnesses to crimes involving abuse or exploitation.

Subsection (d)(7) may result in unintended consequences due to this confidentiality section. To effectively combat trafficking, relevant information must be transmitted to law enforcement. Law enforcement is well-equipped to preserve confidentiality concerns.

The Department believes that subsection (e) undermines the 1997 Special Immigrant Juvenile reforms and opposes turning this back over to the states, where it was inherently flawed.

In section 236(j), the effect of the apparent retroactivity of the general applicability of these amendments to "all aliens in the United States before, on, or after the date of enactment of this Act" raises serious concerns about the provision of benefits and services and has the potential to create serious problems for the Department in its implementation of the programs described in this section.

26. Section 301

DOJ recommends striking the 2 percent cap on funding for training and technical assistance that is in 22 U.S.C. 7105(b)(2)(B). The unique complexity of the trafficking issue and the level of coordination necessary to effectively serve trafficking victims requires much more training and technical assistance than a typical OJP program. Striking the cap on training and technical assistance will allow OJP to better allocate the trafficking funds it receives. The change could be implemented by the following statutory language:

> "Paragraph 107(b)(2)(B)of Pub. L. 106-386 is amended by:
> "(1) inserting 'and' after the first semicolon;
> "(2) striking '(ii)' through ';and'; and
> "(3) striking '(iii)' and inserting '(ii).'"

27. Section 302

Section 302 re-authorizes the $5,000,000 appropriation for the Pilot Program that was first authorized by Section 203 of the 2005 version of this Act. The 2007 version, therefore, should add language amending section 203 of the 2005 version to provide that HHS does not have the exclusive authority for development of the pilot program. DOJ and DHS must be included in the development of this program to ensure that the ability of Federal prosecutors and law enforcement to gain access to these victims is not negatively impacted. Moreover, the Departments' knowledge about these victims, their behaviors, and the dangers that are inherent in providing shelter and services to them would be instrumental to ensuring the success of the pilot program. This section should also amend subsection 203(a) of the 2005 reauthorization to include after "Secretary of Health and Human Services", "in collaboration with the Attorney General and the Secretary of Homeland Security," Subsection 203(c) should be likewise amended.

The Office of Management and Budget has advised that there is no objection to the presentation of this letter from the standpoint of the Administration's programs.

Sincerely,

Brian A. Benczkowski
Principal Deputy Assistant Attorney General

cc: The Honorable Lamar S. Smith, Ranking Member, House Committee on the Judiciary
The Honorable Tom Lantos, Chairman, House Committee on Foreign Affairs
The Honorable Ileana Ros-Lehtinen, Ranking Member, House Committee on Foreign Affairs
The Honorable Patrick J. Leahy, Chairman, Senate Committee on the Judiciary
The Honorable Arlen Specter, Ranking Member, Senate Committee on the Judiciary
The Honorable Edward M. Kennedy, Chairman, Senate Committee on Health, Education, Labor, and Pensions
The Honorable Michael B. Enzi, Ranking Member, Senate Committee on Health, Education, Labor, and Pensions
The Honorable Joseph Biden, Chairman, Senate Committee on Foreign Relations
The Honorable Richard Lugar, Ranking Member, Senate Committee on Foreign Relations

TAB 12

PRESIDENTIAL AUTHORITY TO DECLINE TO EXECUTE UNCONSTITUTIONAL STATUTES

This memorandum discusses the President's constitutional authority to decline to execute unconstitutional statutes.

November 2, 1994

**MEMORANDUM FOR THE HONORABLE ABNER J. MIKVA
COUNSEL TO THE PRESIDENT**

I have reflected further on the difficult questions surrounding a President's decision to decline to execute statutory provisions that the President believes are unconstitutional, and I have a few thoughts to share with you. Let me start with a general proposition that I believe to be uncontroversial: there are circumstances in which the President may appropriately decline to enforce a statute that he views as unconstitutional.

First, there is significant judicial approval of this proposition. Most notable is the Court's decision in Myers v. United States, 272 U.S. 52 (1926). There the Court sustained the President's view that the statute at issue was unconstitutional without any member of the Court suggesting that the President had acted improperly in refusing to abide by the statute. More recently, in Freytag v. Commissioner, 501 U.S. 868 (1991), all four of the Justices who addressed the issue agreed that the President has "the power to veto encroaching laws . . . or even to disregard them when they are unconstitutional." Id. at 906 (Scalia, J., concurring); see also Youngstown Sheet & Tube Co. v. Sawyer, 343 U.S. 579, 635-38 (1952) (Jackson, J., concurring) (recognizing existence of President's authority to act contrary to a statutory command).

Second, consistent and substantial executive practice also confirms this general proposition. Opinions dating to at least 1860 assert the President's authority to decline to effectuate enactments that the President views as unconstitutional. See, e.g., Memorial of Captain Meigs, 9 Op. Att'y Gen. 462, 469-70 (1860) (asserting that the President need not enforce a statute purporting to appoint an officer); see also annotations of attached Attorney General and Office of Legal Counsel opinions. Moreover, as we discuss more fully below, numerous Presidents have provided advance notice of their intention not to enforce specific statutory requirements that they have viewed as unconstitutional, and the Supreme Court has implicitly endorsed this practice. See INS v. Chadha, 462 U.S. 919, 942 n.13 (1983) (noting that Presidents often sign legislation containing constitutionally objectionable provisions and indicate that they will not comply with those provisions).

While the general proposition that in some situations the President may decline to enforce unconstitutional statutes is unassailable, it does not offer sufficient guidance as to the appropriate course in specific circumstances. To continue our conversation about these complex issues, I offer the following propositions for your consideration.

1. The President's office and authority are created and bounded by the Constitution; he is required to act within its terms. Put somewhat differently, in serving as the executive created by the Constitution, the President is required to act in accordance with the laws -- including the Constitution, which takes precedence over other forms of law. This obligation is reflected in the Take Care Clause and in the President's oath of office.

2. When bills are under consideration by Congress, the executive branch should promptly identify unconstitutional provisions and communicate its concerns to Congress so that the provisions can be corrected. Although this may seem elementary, in practice there have been occasions in which the President has been presented with enrolled bills containing constitutional flaws that should have been

corrected in the legislative process.

3. The President should presume that enactments are constitutional. There will be some occasions, however, when a statute appears to conflict with the Constitution. In such cases, the President can and should exercise his independent judgment to determine whether the statute is constitutional. In reaching a conclusion, the President should give great deference to the fact that Congress passed the statute and that Congress believed it was upholding its obligation to enact constitutional legislation. Where possible, the President should construe provisions to avoid constitutional problems.

4. The Supreme Court plays a special role in resolving disputes about the constitutionality of enactments. As a general matter, if the President believes that the Court would sustain a particular provision as constitutional, the President should execute the statute, notwithstanding his own beliefs about the constitutional issue. If, however, the President, exercising his independent judgment, determines both that a provision would violate the Constitution and that it is probable that the Court would agree with him, the President has the authority to decline to execute the statute.

5. Where the President's independent constitutional judgment and his determination of the Court's probable decision converge on a conclusion of unconstitutionality, the President must make a decision about whether or not to comply with the provision. That decision is necessarily specific to context, and it should be reached after careful weighing of the effect of compliance with the provision on the constitutional rights of affected individuals and on the executive branch's constitutional authority. Also relevant is the likelihood that compliance or non-compliance will permit judicial resolution of the issue. That is, the President may base his decision to comply (or decline to comply) in part on a desire to afford the Supreme Court an opportunity to review the constitutional judgment of the legislative branch.

6. The President has enhanced responsibility to resist unconstitutional provisions that encroach upon the constitutional powers of the Presidency. Where the President believes that an enactment unconstitutionally limits his powers, he has the authority to defend his office and decline to abide by it, unless he is convinced that the Court would disagree with his assessment. If the President does not challenge such provisions (i.e., by refusing to execute them), there often will be no occasion for judicial consideration of their constitutionality; a policy of consistent Presidential enforcement of statutes limiting his power thus would deny the Supreme Court the opportunity to review the limitations and thereby would allow for unconstitutional restrictions on the President's authority.

Some legislative encroachments on executive authority, however, will not be justiciable or are for other reasons unlikely to be resolved in court. If resolution in the courts is unlikely and the President cannot look to a judicial determination, he must shoulder the responsibility of protecting the constitutional role of the presidency. This is usually true, for example, of provisions limiting the President's authority as Commander in Chief. Where it is not possible to construe such provisions constitutionally, the President has the authority to act on his understanding of the Constitution.

One example of a Presidential challenge to a statute encroaching upon his powers that did result in litigation was Myers v. United States, 272 U.S. 52 (1926). In that case, President Wilson had defied a statute that prevented him from removing postmasters without Senate approval; the Supreme Court ultimately struck down the statute as an unconstitutional limitation on the President's removal power. Myers is particularly instructive because, at the time President Wilson acted, there was no Supreme Court precedent on point and the statute was not manifestly unconstitutional. In fact, the constitutionality of restrictions on the President's authority to remove executive branch officials had been debated since the passage of the Tenure of Office Act in 1867 over President Johnson's veto. The closeness of the question was underscored by the fact that three Justices, including Justices Holmes and Brandeis, dissented in Myers. Yet, despite the unsettled constitutionality of President Wilson's action, no member of the Court in Myers suggested that Wilson overstepped his constitutional authority -- or even acted improperly -- by refusing to comply with a statute he believed was unconstitutional. The Court in Myers can be seen to have implicitly vindicated the view that the President may refuse to comply with a statute that limits his constitutional powers if he believes it is unconstitutional. As Attorney General Civiletti stated in a 1980 opinion,

> Myers is very nearly decisive of the issue [of Presidential denial of the validity of statutes]. Myers holds that the President's constitutional duty does not require him to execute unconstitutional statutes; nor does it require him to execute them provisionally, against the day that they are declared unconstitutional by the courts. He cannot be required by statute to retain postmasters against his will unless and until a court says that he may lawfully let them go. If the statute is unconstitutional, it is unconstitutional from the start.

The Attorney General's Duty to Defend and Enforce Constitutionally Objectionable Legislation, 4A Op. O.L.C. 55, 59 (1980).

7. The fact that a sitting President signed the statute in question does not change this analysis. The text of the Constitution offers no basis for distinguishing bills based on who signed them; there is no constitutional analogue to the principles of waiver and estoppel. Moreover, every President since Eisenhower has issued signing statements in which he stated that he would refuse to execute unconstitutional provisions. See annotations of attached signing statements. As we noted in our memorandum on Presidential signing statements, the President "may properly announce to Congress and to the public that he will not enforce a provision of an enactment he is signing. If so, then a signing statement that challenges what the President determines to be an unconstitutional encroachment on his power, or that announces the President's unwillingness to enforce (or willingness to litigate) such a provision, can be a valid and reasonable exercise of Presidential authority." Memorandum for Bernard N. Nussbaum, Counsel to the President, from Walter Dellinger, Assistant Attorney General, Office of Legal Counsel at 4 (Nov. 3, 1993). (Of course, the President is not obligated to announce his reservations in a signing statement; he can convey his views in the time, manner, and form of his choosing.) Finally, the Supreme Court recognized this practice in INS v. Chadha, 462 U.S. 919 (1983): the Court stated that "it is not uncommon for Presidents to approve legislation containing parts which are objectionable on constitutional grounds" and then cited the example of President Franklin Roosevelt's memorandum to Attorney General Jackson, in which he indicated his intention not to implement an unconstitutional provision in a statute that he had just signed. Id. at 942 n.13. These sources suggest that the President's signing of a bill does not affect his authority to decline to enforce constitutionally objectionable provisions thereof.

In accordance with these propositions, we do not believe that a President is limited to choosing between vetoing, for example, the Defense Appropriations Act and executing an unconstitutional provision in it. In our view, the President has the authority to sign legislation containing desirable elements while refusing to execute a constitutionally defective provision.

We recognize that these issues are difficult ones. When the President's obligation to act in accord with the Constitution appears to be in tension with his duty to execute laws enacted by Congress, questions are raised that go to the heart of our constitutional structure. In these circumstances, a President should proceed with caution and with respect for the obligation that each of the branches shares for the maintenance of constitutional government.

Walter Dellinger
Assistant Attorney General

Brief Description of Attached Materials

Attorney General Opinions

1) Memorial of Captain Meigs, 9 Op. Att'y Gen. 462 (1860): In this opinion the Attorney General concluded that the President is permitted to disregard an unconstitutional statute. Specifically, Attorney General Black concluded that a statute purporting to appoint an officer should not be enforced: "Every law is to be carried out so far forth as is consistent with the Constitution, and no further. The sound part of it must be executed, and the vicious portion of it suffered to drop." Id. at 469.

2) Constitutionality of Congress' Disapproval of Agency Regulations by Resolutions Not Presented to the President, 4A Op. O.L.C. 21 (1980): In this opinion Attorney General Civiletti instructed Secretary of Education Hufstedler that she was authorized to implement regulations that had been disapproved by concurrent congressional resolutions, pursuant to a statutory legislative veto. The Attorney General noted that "the Attorney General must scrutinize with caution any claim that he or any other executive officer may decline to defend or enforce a statute whose constitutionality is merely in doubt." Id. at 29. He concluded, however, that "[t]o regard these concurrent resolutions as legally binding would impair the Executive's constitutional role and might well foreclose effective judicial challenge to their constitutionality. More important, I believe that your recognition of these concurrent resolutions as legally binding would constitute an abdication of the responsibility of the executive branch, as an equal and coordinate branch of government with the legislative branch, to preserve the integrity of its functions against constitutional encroachment." Id.

3) The Attorney General's Duty to Defend and Enforce Constitutionally Objectionable Legislation, 4A Op. O.L.C. 55 (1980): Attorney General Civiletti, in answer to a congressional inquiry, observed that "Myers holds that the President's constitutional duty does not require him to execute unconstitutional statutes; nor does it require him to execute them provisionally, against the day that they are declared unconstitutional by the courts." Id. at 59. He added as a cautionary note that "[t]he President has no `dispensing power,'" meaning that the President and his subordinates "may not lawfully defy an Act of Congress if the Act is constitutional. . . . In those rare instances in which the Executive may lawfully act in contravention of a statute, it is the Constitution that dispenses with the operation of the statute. The Executive cannot." Id. at 59-60.

4) Letter from William French Smith, Attorney General, to Peter W. Rodino, Jr., Chairman, House Judiciary Committee (Feb. 22, 1985): This letter discussed the legal precedent and authority for the President's refusal to execute a provision of the Competition in Contracting Act. The Attorney General noted that the decision "not to implement the disputed provisions has the beneficial byproduct of increasing the likelihood of a prompt judicial resolution. Thus, far from unilaterally nullifying an Act of Congress, the Department's actions are fully consistent with the allocation of judicial power by the Constitution to the courts." Id. at 8. The letter also stated that "the President's failure to veto a measure does not prevent him subsequently from challenging the Act in court, nor does presidential approval of an enactment cure constitutional defects." Id. at 3.

Office of Legal Counsel Opinions

1) Memorandum to the Honorable Robert J. Lipshutz, Counsel to the President, from John M. Harmon, Assistant Attorney General, Office of Legal Counsel (Sept. 27, 1977): This opinion concluded that the President may lawfully disregard a statute that he interprets to be unconstitutional. We asserted that "cases may arise in which the unconstitutionality of the relevant statute will be certain, and in such a case the Executive could decline to enforce the statute for that reason alone." Id. at 13. We continued, stating that "[u]nless the unconstitutionality of a statute is clear, the President should attempt to resolve his doubts in a way that favors the statute, and he should not decline to enforce it unless he concludes that he is compelled to do so under the circumstances." Id. We declined to catalogue all the considerations that would weigh in favor of non-enforcement, but we identified two: first the extent of the harm to individuals or the government resulting from enforcement; and,

second, the creation of an opportunity for a court challenge through non-enforcement (e.g., Myers).

2) Appropriations Limitation for Rules Vetoed by Congress, 4B Op. O.L.C. 731 (1980): In this opinion we rejected the constitutionality of a proposed legislative veto, prior to the Court's decision in Chadha. We opined that "[t]o regard this provision as legally binding would impair the Executive's constitutional role and would constitute an abdication of the responsibility of the Executive Branch." Id. at 734. It should be noted that the legislation in question was pending in Congress, and the possibility that President Carter would sign the legislation did not affect our analysis of the constitutional issue. We simply stated that, "if enacted, the [legislative veto provision] will not have any legal effect." Id.

3) Issues Raised by Section 102(c)(2) of H.R. 3792, 14 Op. O.L.C. 38 (1990) (preliminary print): This opinion also addressed then-pending legislation, in this case the foreign relations authorization bill for fiscal years 1990 and 1991. The opinion found that a provision of the bill was unconstitutional and severable. Regarding non-execution, the opinion stated that "at least in the context of legislation that infringes the separation of powers, the President has the constitutional authority to refuse to enforce unconstitutional laws." Id. at 53. The opinion concluded that "if the President chooses to sign H.R. 3792, he would be constitutionally authorized to decline to enforce" the constitutionally objectionable section. Id. at 38.

4) Issues Raised by Section 129 of Pub. L. No. 102-138 and Section 503 of Pub. L. No. 102-140, 16 Op. O.L.C. 18 (1992) (preliminary print): This opinion concluded that two statutory provisions that limited the issuance of official and diplomatic passports were unconstitutional and were severable from the remainder of the two statutes. On the question of non-execution, the opinion rejected "the argument that the President may not treat a statute as invalid prior to a judicial determination." Id. at 40. The opinion concluded that the Constitution authorizes the President to refuse to enforce a law that he believes is unconstitutional.

5) Memorandum for Bernard N. Nussbaum, Counsel to the President, from Walter Dellinger, Assistant Attorney General, Office of Legal Counsel (Nov. 3, 1993): This opinion discusses different categories of signing statements, including those construing bills to avoid constitutional problems and those in which the President declares "that a provision of the bill before him is flatly unconstitutional, and that he will refuse to enforce it." Id. at 3. The opinion concludes that such "uses of Presidential signing statements generally serve legitimate and defensible purposes." Id. at 7.

Presidential Signing Statements

1) Statement by the State Department (Announcing President Wilson's Refusal to Carry Out the Section of the Jones Merchant Marine Act of June 5, 1920, directing him to terminate treaty provisions restricting the Government's right to impose discriminatory tonnage dues and tariff duties), 17 A Compilation of the Messages and Papers of the Presidents 8871 (Sept. 24, 1920) (Pres. Wilson): The State Department announced that it "has been informed by the President that he does not deem the direction contained in Section 34 of the so-called Merchant Marine Act an exercise of any constitutional power possessed by the Congress." Id. The statement also defended President Wilson's decision to sign the bill and noted that "the fact that one section of the law involves elements of illegality rendering the section inoperative need not affect the validity and operation of the Act as a whole." 5 Green Haywood Hackworth, Digest of International Law 324 (1943).

2) Special Message to the Congress Upon Signing the Department of Defense Appropriation Act, Pub. Papers of Dwight D. Eisenhower 688 (July 13, 1955): President Eisenhower, in signing a bill (H.R. 6042) that contained a legislative veto, stated that the legislative veto "will be regarded as invalid by the executive branch of the Government in the administration of H.R. 6042, unless otherwise determined by a court of competent jurisdiction." Id. at 689.

3) Memorandum on Informing Congressional Committees of Changes Involving Foreign Economic Assistance Funds, Pub. Papers of John F. Kennedy 6 (Jan. 9, 1963): President Kennedy stated that a provision in the bill he was signing contained an unconstitutional legislative veto. He announced that "[i]t is therefore my intention . . . to treat this provision as a request for information." Id.

4) Statement by the President Upon Approving the Public Works Appropriations Act, Pub. Papers of Lyndon B. Johnson 104 (Dec. 31, 1963): President Johnson also found that a legislative veto provision was unconstitutional and stated that he would treat it as a request for information.

5) Statement About Signing the Public Buildings Amendments of 1972, Pub. Papers of Richard Nixon 686 (June 17, 1972): President Nixon stated that a clause conditioning the use of authority by the executive branch on the approval of a congressional committee was unconstitutional. He ordered the agency involved to comply with "the acceptable procedures" in the bill "without regard to the unconstitutional provisions I have previously referred to." Id. at 687.

6) Statement on Signing the Department of Defense Appropriation Act of 1976, Pub. Papers of Gerald R. Ford 241 (Feb. 10, 1976): President Ford stated that a committee approval mechanism was unconstitutional and announced that he would "treat the unconstitutional provision . . . to the extent it requires further Congressional committee approval, as a complete nullity." Id. at 242.

7) Statement on Signing Coastal Zone Management Improvement Act of 1980, Pub. Papers of Jimmy Carter 2335 (Oct. 18, 1980): President Carter stated that a legislative veto provision was unconstitutional and that any attempt at a legislative veto would "not [be] regarded as legally binding." Id.

8) Statement on Signing the Union Station Redevelopment Act of 1981, Pub. Papers of Ronald Reagan 1207 (Dec. 29, 1981): President Reagan stated that a legislative veto was unconstitutional and announced that "[t]he Secretary of Transportation will not . . . regard himself as legally bound by any such resolution." Id.

9) Statement On Signing the National and Community Service Act of 1990, Pub. Papers of George Bush 1613 (Nov. 16, 1990): President Bush rejected the constitutionality of provisions that required a Presidentially appointed board exercising executive authority to include, among its 21 members, "seven members nominated by the Speaker of the House of Representatives . . . [and] seven members nominated by the Majority Leader of the Senate." Id. at 1614. He announced that the restrictions on his choice of nominees to the board "are without legal force or effect." Id.

10) 7 A Compilation of the Messages and Papers of the Presidents 377 (Aug. 14, 1876) (Pres. Grant): This is one of the earliest of many instances of a President "construing" a provision (to avoid constitutional problems) in a way that seems to amount to a refusal to enforce a provision of it. An 1876 statute directed that notices be sent to certain diplomatic and consular officers "to close their offices." President Grant, in signing the bill, stated that, "[i]n the literal sense of this direction it would be an invasion of the constitutional prerogatives and duty of the Executive." Id. In order to avoid this problem, President Grant "constru[ed]" this provision "only to exercise the constitutional prerogative of Congress over the expenditures of the Government," not to "imply[] a right in the legislative branch to direct the closing or discontinuing of any of the diplomatic or consular offices of the Government." Id. at 378.

Other Presidential Documents

1) A Presidential Legal Opinion, 66 Harv. L. Rev. 1353 (1953): This was a legal opinion from President Franklin Roosevelt to Attorney General Jackson. President Roosevelt stated that he was signing the Lend-Lease Act despite a provision providing for a legislative veto, "a provision which, in

my opinion, is clearly unconstitutional." Id. at 1357. The President stated that, "[i]n order that I may be on record as indicating my opinion that the foregoing provision of the so-called Lend-Lease Act is unconstitutional, and in order that my approval of the bill, due to the existing exigencies of the world situation, may not be construed as a tacit acquiescence in any contrary view, I am requesting you to place this memorandum in the official files of the Department of Justice. I am desirous of having this done for the further reason that I should not wish my action in approving the bill which includes this invalid clause, to be used as a precedent for any future legislation comprising provisions of a similar nature." Id. at 1358.

2) Message to the Congress on Legislative Vetoes, Pub. Papers of Jimmy Carter 1146 (Jun. 21, 1978): In this memorandum President Carter expressed his strong opposition to legislative vetoes and stated that "[t]he inclusion of [a legislative veto] in a bill will be an important factor in my decision to sign or to veto it." Id. at 1148. He further stated that, "[a]s for legislative vetoes over the execution of programs already prescribed in legislation and in bills I must sign for other reasons, the Executive Branch will generally treat them as 'report-and-wait' provisions. In such a case, if Congress subsequently adopts a resolution to veto an Executive action, we will give it serious consideration, but we will not, under our reading of the Constitution, consider it legally binding." Id. at 1149.

Historical Materials

1) Statement of James Wilson on December 1, 1787 on the Adoption of the Federal Constitution, reprinted in 2 Jonathan Elliot, Debates on the Federal Constitution 418 (1836): Wilson argued that the Constitution imposed significant -- and sufficient -- restraints on the power of the legislature, and that the President would not be dependent upon the legislature. In this context, he stated that "the power of the Constitution was paramount to the power of the legislature acting under that Constitution; for it is possible that the legislature . . . may transgress the bounds assigned to it, and an act may pass, in the usual mode, notwithstanding that transgression; but when it comes to be discussed before the judges,-- when they consider its principles, and find it to be incompatible with the superior power of the Constitution,-- it is their duty to pronounce it void . . . . In the same manner, the President of the United States could shield himself, and refuse to carry into effect an act that violates the Constitution." Id. at 445-46.

2) Letter from Chief Justice Chase to Gerrit Smith (Apr. 19, 1868), quoted in J. Schuckers, The Life and Public Services of Salmon Portland Chase 577 (1874): Chase stated that President Johnson took the proper action in removing Secretary of War Stanton without Senate approval, in light of Johnson's belief that the statutory restriction on his removal authority was unconstitutional. In this regard, Chase commented that "the President had a perfect right, and indeed was under the highest obligation, to remove Mr. Stanton, if he made the removal not in wanton disregard of a constitutional law, but with a sincere belief that the Tenure-of-Office Act was unconstitutional and for the purpose of bringing the question before the Supreme Court." Id. at 578.

Congressional Materials

1) The President's Suspension of the Competition in Contracting Act is Unconstitutional, H.R. Rep. No. 138, 99th Cong., 1st Sess. (1985): The House Committee on Government Operations concluded that the President lacked the authority to refuse to implement any provision of the Competition in Contracting Act. The Committee stated that, "[t]o adopt the view that one's oath to support and defend the Constitution is a license to exercise any available power in furtherance of one's own constitutional interpretation would quickly destroy the entire constitutional scheme. Such a view, whereby the President pledges allegiance to the Constitution but then determines what the Constitution means, inexorably leads to the usurpation by the Executive of the others' roles." Id. at 11. The Committee also stated that "[t]he Executive's suspension of the law circumvents the constitutionally specified means for expressing Executive objections to law and is a constitutionally impermissible absolute veto

power." Id. at 13.

2) Memorandum from the Congressional Research Service to the Committee on Government Operations concerning "The Executive's Duty to Enforce the Laws" (Feb. 6, 1985), reprinted in Constitutionality of GAO's Bid Protest Function: Hearings Before a Subcomm. of the House Comm. on Government Operations, 99th Cong., 1st Sess. 544 (1985): This memorandum stated that the President lacks the authority to decline to enforce statutes. The CRS argued that "[t]he refusal of the President to execute the law is indistinguishable from the power to suspend the laws. That power, as is true of the power to amend or to revive an expired law, is a legislative power." Id. at 554.

Cases (not included in the submitted materials)

1) Myers v. United States, 272 U.S. 52 (1926): The President refused to comply with -- that is, enforce -- a limitation on his power of removal that he regarded as unconstitutional, even though the question had not been addressed by the Supreme Court. A member of Congress, Senator Pepper, urged the Supreme Court to uphold the validity of the provision. The Supreme Court vindicated the President's interpretation without any member of the Court indicating that the President had acted unlawfully or inappropriately in refusing to enforce the removal restriction based on his belief that it was unconstitutional.

2) United States v. Lovett, 328 U.S. 303 (1946): The President enforced a statute that directed him to withhold compensation from three named employees, even though the President believed the law to be unconstitutional. The Justice Department argued against the constitutionality of the statute in the ensuing litigation. (The Court permitted an attorney to appear on behalf of Congress, amicus curiae, to defend the statute.)

3) INS v. Chadha, 462 U.S. 919 (1983): This case involved the withholding of citizenship from an applicant pursuant to a legislative veto of an Attorney General decision to grant citizenship. Despite a Carter Administration policy against complying with legislative vetoes (see Carter Presidential memorandum, supra), the executive branch enforced the legislative veto, and, in so doing, allowed for judicial review of the statute. As with Lovett, the Justice Department argued against the constitutionality of the statute.

4) Morrison v. Olson, 487 U.S. 654 (1988): The President viewed the independent counsel statute as unconstitutional. The Attorney General enforced it, making findings and forwarding them to the Special Division. In litigation, however, the Justice Department attacked the constitutionality of the statute and left its defense to the Senate Counsel, as amicus curiae, and the independent counsel herself.

5) Freytag v. Commissioner, 501 U.S. 868 (1991): A unanimous Court ruled that the appointment of special trial judges by the Chief Judge of the United States Tax Court did not violate the Appointments Clause. Five Justices concluded that the Tax Court was a "Court of Law" for Appointments Clause purposes, despite the fact that it was an Article I court, so that the Tax Court could constitutionally appoint inferior officers. Four Justices, in a concurrence by Justice Scalia, contended that the Tax Court was a "Department" under the Appointments Clause. The concurrence stated that "Court of Law" did not include Article I courts and that the Framers intended to prevent Congress from having the power both to create offices and to appoint officers. In this regard, the concurrence stated that "it was not enough simply to repose the power to execute the laws (or to appoint) in the President; it was also necessary to provide him with the means to resist legislative encroachment upon that power. The means selected were various, including a separate political constituency, to which he alone was responsible, and the power to veto encroaching laws, see Art. I, § 7, or even to disregard them when they are unconstitutional." Id. at 906 (Scalia, J., concurring).

6) Lear Siegler, Inc., Energy Products Division v. Lehman, 842 F.2d 1102 (9th Cir. 1988), withdrawn in part 893 F.2d 205 (9th Cir. 1990) (en banc): The President refused to comply with provisions of the Competition in Contracting Act that he viewed as unconstitutional and thereby allowed for judicial resolution of the issue. The Ninth Circuit rejected the President's arguments about the constitutionality of the provisions. The court further determined that Lear Siegler was a prevailing party and was entitled to attorneys' fees, because the executive branch acted in bad faith in refusing to execute the contested provisions. In this regard, the court stated that the President's action was "utterly at odds with the texture and plain language of the Constitution," because a statute is part of the law of the land that the President is obligated to execute. Id. at 1121, 1124. On rehearing en banc, the court ruled that Lear Siegler was not a prevailing party and withdrew the sections of the opinion quoted above.

TAB 13

IN THE CIRCUIT COURT OF THE FIFTEENTH JUDICIAL CIRCUIT
IN AND FOR PALM BEACH COUNTY, FLORIDA
CASE NO. 2006 CF09454AXX

STATE OF FLORIDA,

-vs-

JEFFREY EPSTEIN,

Defendant.

_____________________________________/

DEPOSITION OF [redacted]

Wednesday, February 20, 2008

2:00 p.m. - 4:30 p.m.
Palm Beach County Courthouse
205 North Dixie Highway
West Palm Beach, Florida 33401

Reported By:
Judith F. Consor, FPR
Notary Public, State of Florida
Consor & Associates Reporting and Transcription
Phone - 561.682.0905

APPEARANCES:

On behalf of the State:

LANNA BELOHLAVEK, ESQ.
ASSISTANT STATE ATTORNEY
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561.355.7100

On behalf of the Defendant:

MICHAEL R. TEIN, ESQ.
KATHRYN A. MEYERS, ESQ.
LEWIS TEIN, PL
3059 GRAND AVENUE, SUITE 340

COCONUT GROVE, FL 33133

On behalf of the Defendant:
JACK A. GOLDBERGER, ESQ.
ATTERBURY, GOLDBERGER & WEISS
250 AUSTRALIAN AVENUE SOUTH
SUITE 1400
WEST PALM BEACH, FLORIDA 33401
561.659.8300

ALSO PRESENT:
KEITH J. BRETT, DIRECTOR OF MULTIMEDIA DIVISION,
LEGAL-EZE

- - -

I N D E X

WITNESS: PAGE:

[redacted]

DIRECT EXAMINATION 4
BY MR. TEIN:

- - -

NO EXHIBITS MARKED

- - -

Deposition taken before Judith F. Consor, Court Reporter and Notary Public in and for the State of Florida at Large, in the above cause.

- - -

Thereupon,

[redacted]

having been first duly sworn or affirmed, was examined and testified as follows:

THE WITNESS: I do.

DIRECT EXAMINATION

BY MR. TEIN:

Q. Good afternoon. Please tell me your full name.

A. [redacted]

Q. And can you please spell it?

A. [redacted]

[redacted]

Q. Thank you.

May I call you [redacted]?

A. Uh-huh.

Q. [redacted], I'm going to ask you a few questions, several questions today. If at any time you want to take a break, you just let me know. Okay?

A. Okay.

Q. If you at any time don't understand one of

my questions, will you just please let me know?

A. Yes.

Q. And if at any time you're not feeling well or something like that, you'll tell us, right?

A. Yes.

Q. Do you feel okay today?

A. Yes.

Q. Not taking any alcohol or drugs or anything like that, right?

A. No.

Q. So you feel ready to have your deposition taken?

A. Yes.

Q. [redacted], what is your address?

A. I'm currently living at my aunt's house and I don't know it off the top of my head.

Q. Where is it?

A. In Jupiter.

Q. Who is your aunt?

A. [redacted]

Q. Who else is living there?

A. [redacted], my uncle.

Q. Anyone else living there?

A. No.

Q. The contempt motion that your mother filed

against your father regarding your fifty million-dollar lawsuit against Jeffrey Epstein says that you live with your aunt and uncle and have been living there; is that correct?

A. Yes.

Q. How long have you been living with your aunt and uncle?

A. Since my father kicked me out.

Q. That was Thanksgiving of this past year?

A. Yes, sir.

Q. Okay. Didn't did your firefighter boy friend [redacted] get an apartment for the two of you?

A. No, sir. He has an apartment, but by himself.

Q. Did he get an apartment for the two of you to live in?

A. No, sir.

Q. Are you planning to move in with him?

A. Maybe one day in the future.

Q. Do you have a plan to move in with him presently?

A. No.

Q. Have you been to the apartment that you and [redacted] have discussed moving in together?

A. I have been to the apartment.

Q. Where is that?

A. [redacted]

Q. Have you spent the night over there?

A. No, sir.

Q. Do you know the address there?

A. I do not.

Q. Isn't your sister [redacted] planning on living with you and [redacted]?

A. No.

Q. [redacted] you know that this court case is a criminal prosecution, correct?

A. Correct.

Q. And you know that it's a criminal prosecution against a man who has no criminal background. Do you know that?

A. I do now.

Q. You agree that court is a very serious matter?

A. Yes.

Q. And you're here with your lawyer Mr. Leopold, right?

A. Yes.

Q. And you know that Mr. Leopold recently filed a lawsuit in federal court against Jeffrey Epstein,

seeking fifty million dollars.

MR. LEOPOLD: Let me just object. [redacted] let me instruct you. Anything that you have learned through conversations between you and me are protected. So if you know any of that information outside of those discussions, you may answer. But if the only way you know it is through our discussions, do not answer that question.

BY MR. TEIN:

Q. [redacted] you know that Mr. Leopold recently filed a lawsuit in federal court on your behalf against Jeffrey Epstein seeking fifty million dollars.

MR. LEOPOLD: Same objection.

If you know the answer to that outside of our discussions, you may answer. If it is the only way that you know the answer is through our discussions, do not answer that question.

THE WITNESS: Okay.

MR. LEOPOLD: Attorney/client privilege.

BY MR. TEIN:

Q. You can answer the question unless --

MR. LEOPOLD: Same objection.

MR. TEIN: Let me finish.

MR. LEOPOLD: Excuse me. We're --

MR. TEIN: No. Let me finish.

MR. LEOPOLD: Lewis, we're not going to do that.

MR. TEIN: My name is not Lewis.

I'm going to finish my question. Okay?

MR. LEOPOLD: Do not answer until you hear from me.

BY MR. TEIN:

Q. Other than conversations that you have had with Mr. Leopold -- I'm not asking about that -- are you aware that Mr. Leopold has filed a lawsuit in federal court seeking fifty million dollars from Jeffrey Epstein on your behalf?

MR. LEOPOLD: Same objection.

Anything that you learn through conversations between you and me, do not answer. Those are protected. If you know through any other realm of knowledge, you may answer.

THE WITNESS: No.

BY MR. TEIN:

Q. You have no idea that Mr. Leopold filed a fifty million-dollar lawsuit on your behalf against Jeffrey Epstein?

MR. LEOPOLD: Same objection.

Do not answer that question if it's through

discussions that you and I had. Outside of that, you may answer. So do not answer that question if that is the only basis by which you understand that answer.

THE WITNESS: No.

BY MR. TEIN:

Q. You didn't know that?

MR. LEOPOLD: Don't answer that question. Against, it's attorney/client privilege. Any information you've learned through conversations between you and I are protected. If you know it through any other realm, you may answer.

MR. TEIN: Are you going to say that for

every question in the deposition, Mr. Leopold?

MR. LEOPOLD: When you ask improper questions like that without the proper --

MR. TEIN: You're going to stop your speaking objections right now. Okay?

MR. LEOPOLD: Without the proper --

MR. TEIN: You need to stop your speaking objections.

Let's continue.

MR. LEOPOLD: Counsel, you just asked me a question and I'm going to state it on the record --

MR. TEIN: You need to stop your speaking objections. Check your rules.

MR. LEOPOLD: Excuse me. For the record, Counsel asked me a question. I'll state the answer on the record. He asked me the question am I going to be answering that way throughout the deposition. So long as there's improper foundation and predicate asked by the attorney, I will protect my client and I make the record where appropriate. If counsel wishes to ask an appropriate worded question with the proper foundation and predicate, I will certainly allow the client to answer the question.

MR. GOLDBERGER: Why don't you just state attorney/client privilege and just be done with it.

MR. LEOPOLD: I want the record to be

clear.

MR. TEIN: You want to waste time is what you want to do. You were supposed to be here this morning and you totally broke the deal, the agreement that you had with us if your hearing got cancelled.

But let's move on and maybe you'll stop obstructing this deposition.

MR. LEOPOLD: I think the record is very clear where we stand thus far.

Is there a recording taken of this deposition?

THE COURT REPORTER: Yes.

MR. LEOPOLD: Just make sure that's preserved.

BY MR. TEIN:

Q. Go to Exhibit 20-01 -- well, before you do that, [redacted], are you aware that a lawyer named Jeffrey Herman filed a lawsuit on your behalf, yes or no?

MR. LEOPOLD: Objection.

Any conversations that you and I have had regarding that, if that is the only way by which you understand how to answer that question, so not answer. It's attorney/client privilege, as well as any conversations you may have had with the attorney from Miami. That is also attorney/client privilege. And I'm assuming --

MR. TEIN: You're actually wrong about the attorney/client privilege.

MR. LEOPOLD: I'm assuming Counsel is not asking you to divulge attorney/client --

MR. TEIN: Of course not.

BY MR. TEIN:

Q. [redacted] are you aware that Jeffrey Herman, an attorney, filed a fifty-million-dollar lawsuit on your behalf against Jeffrey Epstein, yes or no?

MR. LEOPOLD: Same objection.

MR. TEIN: We've heard the objection 10 times already.

MR. LEOPOLD: Counsel, excuse me.

MR. TEIN: Just say attorney/client privilege. Stop interrupting my questions.

MR. LEOPOLD: I'm entitled to make an objection for the record, which I'm doing, and I'll make the same objection. And if it calls for attorney/client privilege, any conversations you and I have had, do not answer the question.

And I think that it might be appropriate for the record to ask questions via [redacted] as opposed to [redacted]. I think that would be more appropriate for this deposition.

BY MR. TEIN:

Q. Go ahead. Please answer yes or no.

A. Yes.

Q. Thank you.

In fact, you know that Mr. Herman held a press conference after he filed the fifty-million-dollar lawsuit on your behalf, don't you?

A. After it happened.

Q. You know that he had a press conference, don't you, yes or no?

A. Yes.

Q. In fact, let's go to Exhibit 20-01.

MR. GOLDBERGER: Look behind you. You'll see it.

BY MR. TEIN:

Q. Have you ever seen that picture before?

A. Yes.

Q. Is that a picture of your father, your stepmother and Mr. Herman at the press conference regarding your lawsuit?

A. Yes.

Q. Now you know that this is a very serious matter, don't you?

MR. LEOPOLD: Asked and answered. Objection.

MR. GOLDBERGER: All right. You can object. You're representing a witness here, Mr. Leopold. You can object on privilege grounds. You cannot make legal objections. You have no standing to do so.

MR. LEOPOLD: I'm going to make them and then --

MR. GOLDBERGER: We're --

MR. LEOPOLD: We're going to leave or we're going to take a break because his demeanor is not appropriate. There's no reason to have this kind of demeanor. If you want to have this kind of demeanor with me --

MR. TEIN: You are obstructing this deposition.

MR. GOLDBERGER: Why don't you guys go outside and just talk about --

MR. LEOPOLD: She -- her job is very difficult and she's not going to be able to take us both talking at he same time.

MR. GOLDBERGER: Off the record.

MR. LEOPOLD: We're not going off the record, Jack. We're not, Jack. Her job is very difficult. I'm going to make the record.

I don't think it is appropriate, especially in the small confines of this room, to be very aggressive with this young lady.

MR. TEIN: That's not happening. Stop, stop actually --

MR. LEOPOLD: If you're going to interrupt me, we're going to cancel this deposition --

MR. TEIN: Stop misrepresenting.

THE COURT REPORTER: I need on at a time, no matter who it is.

MR. LEOPOLD: I think we're going to take a break. Perhaps you might want to talk to your co-counsel --

MR. TEIN: I don't need to talk to him.

MR. LEOPOLD: But we're going to take a break.

MR. TEIN: Not taking a break unless the witness needs a break.

You're obstructing this deposition, Ted.

MR. LEOPOLD: Come on, [redacted].

You all want to continue in this demeanor --

MR. TEIN: You're obstructing the deposition. Stop making speeches. We're not discussing this with you. The questions are to your client. Go take your five-minute break.

MR. LEOPOLD: Fine. We need to make sure the record's clear and clean.

And I want to make sure as I've already asked you -- I know that you're one of the best in town -- that this audio -- this needs to be preserved. Okay?

MR. TEIN: Go take your five-minute break,

Mr. Leopold, now.

You were supposed to be here at nine a.m.; it's now after two. Take your break and come back.

MR. LEOPOLD: Okay. If the demeanor keeps up, we will not be here beyond those five minutes.

MR. TEIN: Take your break and come back.

MR. LEOPOLD: Okay. So I suggest that you relax.

MR. TEIN: I suggest that you take your break.

MR. GOLDBERGER: Let them take that five-minute break.

MR. LEOPOLD: But I would suggest that you take deep breaths.

MR. TEIN: Suggest whatever you want. Go take a break.

(Thereupon, a recess was taken.)

BY MR. TEIN:

Q. [redacted] you agree that giving testimony today at your deposition is something very serious, don't you?

A. Yes.

Q. And you respect the court, don't you?

A. Yes.

Q. Let me show you Exhibit 31-001. Can you read that out loud, please?

A. Okay. What do you want?

Q. Will you read that out loud, please.

A. Oh.

Q. Thank you.

A. Lol hah my baddd...lol yah i got some stupid court shit on the 20th... bullshit... and damn you still have court shit with him? Like after so long wow im sorry... well yah well we will definitely havta make plans for sure..because i miss u tons times a million and no no no i love you...o p.s. i love ur default pic niggaa. Muah xo.

Q. Did you send that message last week to a friend of yours on MySpace?

A. I wouldn't know. There's no dates and I've deleted that MySpace, so --

Q. We're going to talk about that in a second.
A. Okay.
Q. Did you send that message last week --
A. Right.
Q. Let me finish my question.
Did you send that message last week to a friend of yours on MySpace?
A. I wouldn't know the date, but obviously,

it's to a friend.
Q. Did you send that message to a friend of yours on MySpace?
A. Sure, yes.
Q. Were you referring to this deposition?
A. Yes.
Q. Do you find the term n-i-g-g-e-r offensive?
A. That's not anywhere in there.
Q. What word did you use in there?
MR. LEOPOLD: Where are you referring to, Counsel? There's 20 plus words in there.
MR. TEIN: Don't make a speaking objection.
THE WITNESS: Are you referring to anything --
MR. LEOPOLD: No, [redacted] Don't -- don't -- let him ask you the question.
BY MR. TEIN:
Q. What question were you asking, [redacted]?
MR. LEOPOLD: She doesn't ask questions. You ask the questions. What is the question pending?
BY MR. TEIN:

Q. [redacted] what is the last word on there in the text of your message before the closing?

A. Niggaa.

Q. Don't you find that term offensive?

A. No.

MR. LEOPOLD: Can you spell it for the record, please.

THE WITNESS: N-i-g-g --

MR. TEIN: No, no, no. You are not going to be asking questions.

MR. LEOPOLD: I'm not asking questions. I'm asking for the record the word to be spelled because we don't have a video here today.

MR. TEIN: These exhibits are part of the record. You --

MR. LEOPOLD: Well, it's not marked as an exhibit.

MR. TEIN: Stop interrupting me, Mr. Leopold. I have marked and identified as an exhibit and you will get it.

MR. LEOPOLD: There has been no identification of this document in the record.

MR. TEIN: Mr. Leopold, stop interrupting this deposition.

MR. LEOPOLD: What is the exhibit number marked for identification?

MR. TEIN: 31-001.

MR. LEOPOLD: Do we have copies? Is it on the record anywhere?

BY MR. TEIN:

Q. Let me ask you, [redacted], did you in fact write your friend this message about this deposition?

A. Yes.

Q. So you wrote your friend that this deposition is stupid court s-h-i-t, correct?

A. Yes.

Q. Because you think this deposition is stupid court s-h-i-t, don't you?

A. No.

Q. You wrote that to your friend, didn't you?

A. Yes.

Q. You think that court is stupid, don't you?

A. In some cases.

Q. And you think that court is bull s-h-i-t, don't you?

A. No.

Q. And you think this deposition is bull s-h-i-t, don't you?

A. No.

Q. You wrote that to your friend, didn't you?

MR. LEOPOLD: Objection. Asked and answered.

MR. TEIN: That's not an objection.

BY MR. TEIN:

Q. You wrote that to your friend, didn't you?

MR. LEOPOLD: Objection. Asked and answered, for the fourth time.

MR. TEIN: You are improperly objecting, Mr. Leopold. You have no grounds to object. And that's not an objection.

MR. LEOPOLD: It is an objection.

MR. TEIN: Then terminate the deposition if you think it's been asked and answered.

MR. LEOPOLD: Counsel, I am not precluded from just making an objection to the form of the question. As the courts well know, and if you practice here in West Palm Beach, many of the judges require you to set the objection with specificity. And I will do that. And if you don't want me to, you can make the record. But I will do that.

MR. TEIN: Here's what we'll do, Ted. You can -- I will allow you to reserve an objection to form for every single one of my questions. Otherwise, all you're doing is obstructing.

MR. LEOPOLD: I won't do that.

MR. TEIN: Of course; because you want to obstruct.

MR. LEOPOLD: All right.

BY MR. TEIN:

Q. Saige, you think that giving testimony today, under oath, is bull s-h-i-t, don't you?

A. No.

Q. And you wrote that to your friend on MySpace last week, didn't you?

MR. LEOPOLD: Objection. Asked and

answered.

THE WITNESS: No, I did not.

BY MR. TEIN:

Q. You didn't write this exhibit?

A. I wrote that, but I didn't write what you said.

Q. You wrote in this exhibit, "I got some stupid court s-h-i-t on the 20th. Bull s-h-i-t." Didn't you write that?

A. Yes.

Q. Referring to this deposition, didn't you?

A. Referring to the court. I was later informed that it was a deposition.

Q. I'm going to ask you some questions now about what happened when you went to Jeff Epstein's house three years ago. Okay?

A. Uh-huh.

Q. When the police interviewed you one month after you went to Epstein's house, you swore on your mother's grave that you and Epstein did not engage in sex of any kind?

A. Yes.

Q. Didn't you tell that to the police?

A. Yes. And I will continue. I have never had sex with him.

Q. Did what happened upstairs at Jeff Epstein's house take you completely by surprise, [redacted]?

A. Yes.

Q. Now the civil complaint that you filed against Mr. Epstein for fifty million dollars alleged that you were totally shocked by what happened when you got there.

A. Yes.

Q. Were you totally shocked by what happened when you got to Epstein's house?

A. Yes.

Q. You didn't expect it at all, did you?

A. No.

Q. You had absolutely no idea why your friend [redacted] was taking you to Epstein's shoes, right?

A. I was informed it was a massage.

Q. All you thought that it was going to be was

a massage, correct?

A. Yes.

Q. Before you got to Epstein's house [redacted] never said anything to you on the telephone about sexual activity with Epstein, did he?

A. No.

Q. And before you got to Epstein's house [redacted] never sent you a message over the Internet about sexual activity with Epstein, did she?

A. No.

Q. Did Zack [redacted] ever try to convince you to engage in any sexual activity with Epstein?

A. No.

Q. Did Anthony [redacted] every try to convince you to engage in any sexual activity with Epstein?

A. I don't know who Anthony [redacted] is.

Q. Do you have a friend Anthony?

A. No.

Q. Okay. Before you went so Epstein's house did anyone call or e-mail you to induce you to engage in sexual activity with Epstein?

A. No.

Q. So you're sure that before you got to Epstein's house no one tried to persuade you to engage in sexual activity with Jeffrey Epstein?

A. No.

Q. You're sure that -- let me ask the question again.

You're sure that before you got to Epstein's house no one tried to persuade you to engage in sexual activity with Epstein for money. Are you?

MR. LEOPOLD: Objection. Asked and answered.

THE WITNESS: No. And I've already answered that a bazillion times.

BY MR. TEIN:

Q. He's coaching you now. So I'm going to ask the question --

MR. LEOPOLD: Counsel, I've made an objection for the record.

MR. TEIN: Stop speaking.

MR. LEOPOLD: I'm not going to stop speaking. You can't interrupt me when I'm making the record.

MR. TEIN: You're coaching the witness.

MR. LEOPOLD: Counsel --

MR. TEIN: Stop coaching the witness.

BY MR. TEIN:

Q. [redacted] let me ask you --

MR. LEOPOLD: If you continue to --

MR. TEIN: Stop interrupting my questions.

MR. LEOPOLD: If you do it one more time, we're leaving.

BY MR. TEIN:

Q. [redacted] --

MR. LEOPOLD: I'm going to make the record. You cannot interrupt me when I'm making the record. Out of professional conduct, you cannot do that. I'm entitled to make the record. I made an objection, asked and answered. You demeanor is inappropriate. You're willing and you are able and you're responsible to ask a question in a professional manner and ask the question and once you get the answer, to either follow up on it or move on, but not continuously browbeat and ask the same question over and over because you don't like the answer.

MR. TEIN: Calm down, sir.

MR. LEOPOLD: Trust me, I'm very calm here. When I'm not calm you'll know it. I'm very calm.

So please continue on, but I will not allow you to continue to harass her in the demeanor that you're doing. Ask her a question and move on.

MR. TEIN: Are you done?

MR. LEOPOLD: Thank you. I am.

MR. TEIN: Stop misrepresenting the record and calm down. I'm going to ask my question. Stop it.

BY MR. TEIN:

Q. [redacted] --

MR. LEOPOLD: I think the record is very clear.

MR. GOLDBERGER: Let me just clarify something. When you object to the form of a question, you're not instructing the witness not to answer the question, are you?

MR. LEOPOLD: No. And I'm not making that objection; only on attorney/client privilege.

MR. TEIN: Will you stop speaking now so I can ask my question? Are you done?

Okay. I'm going to ask my question.

BY MR. TEIN:

Q. Listen, [redacted] --

MR. LEOPOLD: Hold on. Stop.

I've been doing this for 20 plus years and have met a lot of attorneys, but I've never had an experience like this where I've --

MR. TEIN: Stop your speeches.

MR. LEOPOLD: If you continue to do this, whether it's with me or with my client, I will not

put up with it and I don't need to put up with it and it's not appropriate. And I'm sure Mr. Goldberger knows all this, because I know that he wouldn't do this. So I will not put up with it.

And I think it's highly inappropriate to do this with this child sitting here, the way you're acting, primarily towards me, and I will not put up with it.

MR. TEIN: Will you please stop your speech so I can ask questions?

MR. LEOPOLD: So long as you act professionally, I will do so. But if you continue to do it this way, I will leave.

MR. TEIN: Suit yourself.

BY MR. TEIN:

Q. [redacted] are you sure that before you got to Epstein's house no one tried to persuade you to engage in sexual activity with Epstein for money?

MR. LEOPOLD: Asked and answered. Objection.

MR. TEIN: Did you get her answer?

THE COURT REPORTER: No, I did not.

THE WITNESS: I'm sure.

BY MR. TEIN:

Q. Let me ask you a few questions about your

contact with Jeffrey Epstein. Okay?

A. (Witness nods head up and down.)

Q. Jeff never e-mailed you, did he?

A. No.

Q. Jeff never text messaged you, did he?

A. No.

Q. Jeff never chatted in a chat room with you, did he?

A. No.

Q. Before you got to Epstein's house you had never spoken to Jeff, had you?

A. No.

Q. And before you got to Epstein's house you had never met Jeff?

A. Correct.

Q. Before you got to Epstein's house you had never told Jeff that you were under 18, right?

A. No.

Q. Before you got to Epstein's house had you ever told Jeffrey that you were under 18?

A. No. I never spoke to the man before that.

Q. And you only went to Jeff Epstein's house that one time three years ago, correct?

A. Yes.

Q. You never went there again, correct?

A. No.

Q. All right. Let me ask you two final areas of questioning about this and we'll move onto something else. Okay?

A. Uh-huh. Yes. I'm sorry.

Q. Before you got to Epstein's did anyone associated with Epstein ever call you on the phone and try to persuade, induce, entice or coerce you to engage in any sexual activity?

A. No.

Q. Before you got to Epstein's did anybody associated with Epstein ever contact you on the Internet and try to persuade, induce, entice or coerce you to engage in any sexual activity?

A. No.

Q. [redacted], who told you that when you got to Jeff Epstein's house you should lie to Jeff about your age?

A. [redacted]

Q. Was it [redacted] or was it the other girl in the car who you rode over with to Epstein's house?

A. [redacted].

Q. Who was the other girl in the car with you that day?

A. I honestly don't know.

Q. Had you ever seen her before?

A. No, sir.

Q. You told the police that when you rode over to Epstein's you had no idea who she was, right?

A. Correct.

Q. You told the police that you didn't know her name, but she was like really dark, kind of like a Spanish girl?

A. Yes.

Q. Those were your words, right?

A. Yes.

Q. Do you now know who she is?

A. No, sir.

Q. So it was [redacted] who told you to lie about your age to Jeff Epstein?

A. Yes, sir.

Q. And [redacted] told you that if you weren't 18, Epstein wouldn't let you into his house, right?

A. That's -- yes, yes.

Q. All right. Let's talk for a minute about when you first met Jeff. Okay?

A. Sure.

Q. When you first met Jeff he tried to find out how old you were, right?

A. Excuse me?

Q. When you first met Jeff he tried to find out how old you were, right?

A. Not when we first introduced each other; when we get upstairs, then yes.

Q. During the massage Jeff asked you how old you were, correct?

A. Yes, yes.

Q. Now hadn't you already told Jeff's assistant, the one who walked you upstairs, that you went to college and had just moved down here from Ohio?

A. I never spoke to the lady.

Q. Do you want to rethink that answer?

MR. LEOPOLD: Is that a question?

BY MR. TEIN:

Q. Do you want to rethink that answer?

A. No. I didn't really speak with her that much.

Q. Do you want to try to refresh your memory on that?

MR. LEOPOLD: Do you have something to refresh her memory with?

MR. TEIN: Do you want to stop making

speaking objections?

MR. LEOPOLD: No. But to refresh someone's memory you show them a document.

MR. TEIN: I know how to do this.

MR. LEOPOLD: Then show her a document.

MR. TEIN: Stop speaking.

MR. LEOPOLD: I'm not going to stop speaking. I'm going to continue to make the record.

MR. TEIN: You're obstructing. Please stop.

MR. LEOPOLD: I'm not obstructing. But if you want to refresh her recollection, you need to show her something.

That's not a proper question. I object to the foundation and the predicate of that question.

MR. TEIN: Are you done?

MR. LEOPOLD: I am now. Thank you.

BY MR. TEIN:

Q. Do you want to try to refresh your memory as to whether you had any conversation with the woman who walked you upstairs in Epstein's house in which you told her that you went to college and had just moved down from Ohio?

MR. LEOPOLD: Objection. Object to the form of the question. Lack of foundation and predicate.

BY MR. TEIN:

Q. You can answer the question.

A. Sure.

Q. Is there anything that would refresh your memory that in fact you told Mr. Epstein's assistant, the one who walked you upstairs, that you went to college and you had just moved down here from Ohio?

A. I don't remember saying that, but if you -- I don't remember saying that myself, so --

Q. That would be a lie, right?

A. No. I really don't remember.

Q. So you told Jeff that you were 18 years old, correct?

A. Yes.

Q. Do you remember Detective Michelle Pagan of the Police Department, Palm Beach Police Department?

A. Yes.

Q. Do you remember you spoke to her?

A. Yes.

Q. Do you remember that you told Detective Pagan that when you lied about your age to Jeff you said it really fast because you didn't want to make it sound like you were lying?

A. I don't remember the words exactly, but I do remember telling her I told him I was 18.

Q. And do you remember telling Detective Pagan

that when you lied to Epstein about your age that you said it really fast so Epstein wouldn't realize you were lying?

A. No, I don't remember saying those words exactly to her. I remember telling her that I told Epstein I was 18.

Q. Does it sound right to you that you told Detective Pagan that you said your age really fast to Epstein --

MS. BELOHLAVEK: Objection. Asked and answered.

BY MR. TEIN:

Q. -- so he wouldn't think that you were lying?

MR. LEOPOLD: Objection. Asked and answered, lack of foundation, mischaracterization of her earlier testimony. She's already answered that question.

BY MR. TEIN:

Q. You can answer it.

MR. LEOPOLD: Same objection. It's been asked and answered.

You can answer. I've made the objection.

THE WITNESS: I forget the question, now.

BY MR. TEIN:

Q. Let me put it again.

Does it sound right to you that you told Detective Pagan that when you lied about your age to Jeffrey Epstein, you said it really fast because you didn't want to make it sound like you were lying?

MR. LEOPOLD: Objection. Lack of foundation, asked and answered.

THE WITNESS: I could have possibly said that, yes.

BY MR. TEIN:

Q. You didn't want Mr. Epstein to know that you were lying about your age, right?

A. Correct.

Q. You didn't want Mr. Epstein to know that you were not 18 yet, right?

A. Correct.

Q. You wanted Mr. Epstein to believe that you really were 18, right?

A. Correct.

Q. Do you remember when Mr. Epstein asked where you went to school?

A. Yes.

Q. And you told Mr. Epstein you went to [redacted] right?

A. Yes.

Q. Was that the truth?

A. No.

Q. In fact, you went to [redacted], right?

A. Yes.

Q. So you lied to Mr. Epstein again, correct?

A. Yes.

Q. Is Wellington the college that you told Jeff's assistant that you were attending?

A. I don't remember having that conversation with her, so I wouldn't know if that's what I said.

Q. That was a lie, though, wasn't it?

MR. LEOPOLD: Objection to the form of the question, lack of foundation. You're making an assumption. She just answered you she can't tell you that.

MR. TEIN: Speaking objection. And you well know that, Mr. Leopold.

MR. LEOPOLD: She can't answer that question. The way you phrased that question, you're purposely making her not be honest in her testimony. She can't answer a question like that. She doesn't remember. So then you say, "So you were lying." That's improper and you know that. That's not a proper question. And any attorney

that would do that to a witnesses or to a person that's sitting in this chair is not acting professionally. You can't ask a question like that. You can do it, but it's not proper. And I'm sure you weren't trained that way, certainly not ethically.

MR. TEIN: Will you stop?

MR. LEOPOLD: I'm not going to stop, because the way you're asking that question is improper and you know it.

MR. TEIN: You're losing your cool.

BY MR. TEIN:

Q. [redacted] --

MR. LEOPOLD: Trust me. I'm very calm. When I lose my cool, you'll know it.

MR. TEIN: I do know it.

BY MR. TEIN:

Q. [redacted] Mr. Epstein never asked you to do anything other than massage him, correct?

A. Incorrect, because he asked me to take off my bra, so that would be two things he's asked me to do.

Q. Other than asking you to take your bra off, Mr. Epstein never asked you to do anything with him other than massage, correct?

MR. LEOPOLD: Objection. Foundation,

predicate.

THE WITNESS: Correct.

BY MR. TEIN:

Q. You told the police, in your words, that you did not whack him off, right?

A. Correct.

Q. What does that mean?

A. Whack, like whacking off?

Q. Your term, what does that mean?

A. Masturbating.

Q. Mr. Epstein never tried at any time to grab your hand, did he?

A. No.

Q. Mr. Epstein never tried to put your hand anywhere, did he?

A. No.

Q. At no time did you touch Mr. Epstein's penis, did you?

A. No.

Q. And he did not touch you, correct?

A. Incorrect.

Q. Well, you told the police, "At no time did he touch me." Were you lying to the police then?

A. No. Well, I wasn't being fully truthful, but I wasn't lying.

Q. You told the police twice when you spoke to Michelle Pagan that "at no time did he touch me." Didn't you say that to the police?

A. Yeah.

Q. And you're saying that that was not fully truthful. Is that what you're saying now?

A. Correct.

Q. And you're saying if you're not fully truthful, that's not a lie. Correct?

A. You took that out of context like really bad. I didn't mean like that. Touching my legs and -- he never kept his hands to himself the entire time. That's what I'm trying to say.

Q. You told the police, "At no times did he touch me." You agree with that, correct?

A. No, I don't agree with that, because he did touch me.

Q. Did you tell the police that he did not touch you, yes or no?

A. It's a possibility, but I do not remember.

Q. Okay. And you did not have any type of sex with Jeff, correct?

A. No.

Q. And you did not have any type of oral sex with Jeff, correct?

A. No.

Q. No type of intercourse with Jeff, correct?

A. Correct.

Q. All right. Let's talk about what happened after the massage was over.

A. Okay.

Q. After the massage you told Epstein that you wanted to bring your twin sister back so she could make some money, correct?

A. Incorrect.

Q. Your twin sister is [redacted], right?

A. Correct.

Q. And you love [redacted] very much, don't you?

A. Yes.

Q. And when you left the house you were joking with the other girls, weren't you?

A. Incorrect.

Q. Well, when [redacted] and the other girl in the car that day made their statements to the police they told the police that you were joking afterwards. Are you saying that they were lying to the police about that?

A. No. But a question or -- questions from [redacted] -- like she asked me questions, but it wasn't joking. She was kind of like in a happy way, like, "Oh, what did you do? What did you do?" Like those kind of

things, but it wasn't joking about it at all.

Q. You joked about it, didn't you?

A. No.

Q. You said to [redacted] that if you did this every weekend you'd be rich, didn't you?

A. No. That's what [redacted] told me.

Q. You didn't tell that to [redacted]?

MR. LEOPOLD: Objection. Asked and answered.

THE WITNESS: No.

BY MR. TEIN:

Q. After you left Epstein's house you took the money and you went shopping with [redacted] and the other girl in the car, correct?

A. Incorrect. I didn't spend any of the money.

Q. You went to Marshall's, didn't you?

A. I went along, yes, but I didn't --

Q. You went shopping with them at Marshall's, didn't you?

MR. LEOPOLD: Objection.

THE WITNESS: I guess you could say that.

MR. LEOPOLD: Objection. Lack of predicate and foundation. Mischaracterization of earlier testimony.

BY MR. TEIN:

Q. And [redacted] bought a purse, right?

A. Yes.

Q. And you were with her the whole time at Marshall's, correct?

A. Yes.

Q. Now tell me about when the federal prosecutors told you about getting reimbursed.

A. I have no idea what you're talking about.

Q. Tell me about when the federal prosecutors spoke to you about getting money you feel you're entitled to from Mr. Epstein.

A. I don't know what you're talking about.

Q. Do you know who Marie Villafona is?

A. No, sir.

Q. Did you ever meet with any federal prosecutors?

A. I think -- yeah. I think they were -- I think they were like FBI.

Q. Uh-huh. Did you meet with federal prosecutors?

A. They came to my house one time, yes.

Q. When did they come to your house?

A. Very long ago.

Q. Was it this year, 2008?

A. It was not this year, no.

Q. Was it 2007?

A. I'd have to say at least two years ago or a year ago, yeah. So it would be 2007, 2006; but it was a while ago.

Q. How many federal prosecutors or FBI agents came to your house?

A. I'm trying to remember. I want to say four people came.

Q. Did they give you their business cards?

A. If they did, I don't remember, and they weren't toward me. Maybe my parents have them. I don't know.

Q. Did they give you their cell phone numbers?

A. No.

Q. Did you ever speak to them on their cell phones?

A. No, sir.

Q. Did they speak to your parents?

A. That's something you'd have to ask my parents.

Q. Do you know whether they spoke to your parent's?

A. No, sir.

Q. You have no idea?

A. No, sir.

MR. LEOPOLD: Objection. Asked and answered.

BY MR. TEIN:

Q. So if I say the name to you Marie Villafona, you don't know who that is?

A. No, sir.

Q. How many women and how many men came to your house?

A. I want to say two ladies and two guys.

Q. Did someone named Jeffrey Sloman come to your house?

A. I don't know names, sir.

Q. Do you know who Jeffrey Sloman is?

A. No, sir.

Q. Do you know who Jeffrey Herman is?

A. Yes.

Q. That's the lawyer who first sued Epstein on your behalf, right?

A. Yes.

Q. Has Mr. Herman advanced your family any money?

MR. LEOPOLD: Any conversations that you've had with Mr. Herman regarding that issue, you are not to disclose. If you've learned in some other

fashion, you may answer.

THE WITNESS: Okay.

I wouldn't know.

BY MR. TEIN:

Q. You don't know?

A. No.

MR. LEOPOLD: Objection. Foundation. Attorney/client privilege.

BY MR. TEIN:

Q. And you say you don't know who Jeff Sloman is?

A. No, sir.

Q. Does it refresh your recollection that he's the number two prosecutor at the U.S. Attorney's Office?

A. No.

Q. That he's Marie Villafona's boss?

A. No.

Q. Does it refresh your memory that he's the ex-partner of Jeff Herman, the first lawyer who sued you -- sued Mr. Epstein on your behalf for fifty million dollars?

A. No. I don't know who he is.

Q. Without telling me any conversations that you've had with your lawyers, how is it that you selected Mr. Herman as your lawyer from the 81,000 members of the

Florida Bar?

A. I did not select him.

Q. Who did?

A. My father.

Q. Did you ever meet Mr. Herman?

A. Once.

Q. Don't -- don't tell me what you discussed with him. Where did you meet him?

A. I was shopping in my -- he showed up at my friend's house.

Q. Whose house?

A. My friend [redacted]

Q. Is that [redacted] from [redacted] [redacted]

A. Yes.

Q. And did you have a meeting with him at [redacted]'s house?

A. Yes. I guess you could say that.

Q. And who else was there?

A. My Aunt [redacted].

Q. And what was that meeting about?

MR. LEOPOLD: Objection. That calls for attorney/client privilege.

BY MR. TEIN:

Q. What discussions did you have with

Mr. Herman in the presence of [redacted]?

A. None.

Q. What discussions did you have in the presence of her aunt?

A. Of my aunt?

MR. GOLDBERGER: It's the witness's aunt.

BY MR. TEIN:

Q. Oh, of your aunt.

A. The only one that we've ever discussed or ever had.

Q. And so you were in a conversation with Mr. Herman and your aunt?

A. Yes, sir.

Q. And you discussed privileged matters during that conversation?

MR. LEOPOLD: Object to the form. I think you might have to educate her on that question.

BY MR. TEIN:

Q. You discussed the lawsuit?

A. Yes.

Q. Did [redacted] tell you about any conversations that she had with Mr. Herman?

A. As far as I'm concerned, she's never spoken or she's never had a conversation. She only opened the door and then left. She's the one who answered the door.

Q. Why did the meeting take place at [redacted] [redacted] house?

A. I spent the night that night at her house.

Q. And when was this?

A. A while ago.

Q. How long ago?

A. A month and a half ago. I'm guessing.

Q. A month and a half ago?

A. Uh-huh.

Q. So was it before of after Mr. Herman filed the fifty-million-dollar lawsuit against Epstein?

A. After.

Q. Did you meet what an FBI agent named Nesbit Kirkendall, a woman?

A. I don't know.

Q. Did Ms. Kirkendall speak to you about getting reimbursed from Mr. Epstein?

A. I've never had a discussion with anyone about getting reimbursed from Mr. Epstein.

Q. Have you met with an agent named Jason Richards?

A. Not to my knowledge.

Q. How about an agent named Tim Slater?

A. No, sir.

Q. How about an agent named Junior Ortiz?

A. No.

Q. And we've learned that many of the girls, some of whom are as old as 23, were told by the government that they would get money at the end of the criminal prosecution. Does that sound familiar to you?

A. No, sir.

Q. Other than Mr. Leopold here -- I'm not asking about Mr. Herman either --

A. Uh-huh.

Q. -- did anyone ever discuss with you that you could get reimbursement for your damages?

A. No, sir.

Q. Did you or any member --

MR. LEOPOLD: Are you referring to a criminal matter or a civil matter?

BY MR. TEIN:

Q. Did you or any member --

MR. LEOPOLD: Excuse me. Let me object to the form of the question.

BY MR. TEIN:

Q. Did you or any member of your family ever get a victim notification letter from anyone?

A. I no longer live at that residence and I wouldn't know.

Q. So your testimony is that you have never

received a victim notification letter, correct?

A. Correct.

Q. And your testimony is that you don't know if your parents have ever received a victim notification letter, correct?

A. Correct.

Q. Have you given any evidence to prosecutors or law enforcement in this case?

A. What do you mean by evidence?

Q. Well. Anything that you can touch or feel?

A. No.

MR. LEOPOLD: Objection to the form of the question.

BY MR. TEIN:

Q. So you haven't given anything physical --

A. No.

Q. -- any item to any prosecutor, police officer or law enforcement agent, correct?

A. My cell phone four years ago or three years ago, but that's it.

Q. You gave your cell phone to whom?

A. Michelle Pagan.

Q. Did she keep it?

A. Ask her.

Q. You gave it to her and then you didn't get

it back at the end of the meeting?

A. No. They -- yeah. No. They have it. I'm guessing. I don't have it.

Q. How much money are you hoping to get out of Mr. Epstein?

MR. LEOPOLD: Objection to the form of the question. Attorney/client privilege.

BY MR. TEIN:

Q. How much money are you hoping to get, you, yourself, hoping to get out of Epstein?

MR. LEOPOLD: Same. Same objection, attorney/client privilege.

Don't answer the question.

BY MR. TEIN:

Q. I'm not asking about what your lawyer told you.

MR. LEOPOLD: I'm instructing her not to

answer the question, because any of those conversations involve her counsel.

MR. TEIN: Certify that.

MR. LEOPOLD: Please.

..................CERTIFIED QUESTION..................

BY MR. TEIN:

Q. Now, Saige, you lied to get out of this deposition, didn't you?

A. No, sir.

Q. You didn't want to come to court today and tell the story that you had told to the police under oath, did you?

MR. LEOPOLD: Object to the form of the question. Lack of foundation, predicate.

THE WITNESS: No. I have no problem coming here and talking to you.

BY MR. TEIN:

Q. And to avoid getting served with a lawful subpoena, you lied about your name, didn't you?

A. No.

Q. And in fact, just lying yourself wasn't enough, was it?

MR. LEOPOLD: Objects to the form of the question.

Don't answer it. It's not a question.

Object to the form of the question. Lack of foundation.

MR. TEIN: Are you instructing her not to answer?

MR. LEOPOLD: I am.

MR. TEIN: Certify it.

MR. LEOPOLD: Please.

.................CERTIFIED QUESTION.................

BY MR. TEIN:

Q. You asked your co-workers --

MR. LEOPOLD: It's vague and ambiguous.

BY MR. TEIN:

Q. You asked your co-workers at the [redacted] to lie for you, didn't you?

A. No. I informed my boss about what was going on and he told me that he would help in any way that he can.

Q. Okay. You got your friend [redacted] to lie by switching name tags with you, correct?

A. Incorrect. It was a coincidence that same night she was not wearing her name tag; she was wearing mine. But I was also not wearing -- I was wearing my name tag. Everyone switches name tags. It just so happens it was a coincidence that same night the people came with the papers.

MR. TEIN: Will you put up Exhibit 18-001?

MR. GOLDBERGER: And mark 18-001 for identification purposes to this deposition.

MR. LEOPOLD: None of them have been marked yet. Can we mark them and put them as attachment to the depositions? Because I think you've shown three photos now. And this is the only one that has been marked for identification yet.

BY MR. TEIN:

Q. [redacted]--

MR. LEOPOLD: Hold on just a second. Just so the record is clear --

MR. TEIN: I'm not speaking to you.

MR. LEOPOLD: Okay. Then don't speak to me then. But I'll speak to Mr. Goldberger, perhaps.

But at least for the record, can we put on the record what the previous two photographs were marked for identification?

MR. GOLDBERGER: We will make sure that the record is clear at the end of the deposition so that there's no ambiguity.

MR. LEOPOLD: Thank you.

BY MR. TEIN:

Q. [redacted] I've put a photograph marked 18-001 up on the screen. Do you see that?

A. Yup.

Q. Who is that in the photo?

A. [redacted] on the left and me on the right.

Q. [redacted] right?

A. Yes.

Q. [redacted], your friend at the [redacted] right?

A. Yes.

Q. [redacted] your friend, who you say the day that the process servers went to serve you with a subpoena for this deposition, just happened -- just by coincidence, was wearing your name tag?

A. Yes, sir.

Q. And just by coincidence, you were wearing her name tag, correct?

A. Yes.

Q. Your testimony under oath is that's just a coincidence, right?

A. Total honesty.

Q. It just happens to be the day that you were going to be served with a subpoena, correct?

A. That wasn't the first day that --

MR. LEOPOLD: [redacted] just answer the question. It calls for a yes or no.

THE WITNESS: Yes.

BY MR. TEIN:

Q. You said that wasn't the first day you were going to be -- you thought you were being served with a subpoena, correct?

A. Correct.

Q. You knew before the day that you switched name tags with [redacted] that the process servers were

looking for you, didn't you?

A. No. I knew --

MR. LEOPOLD: Just answer it. It calls for a yes or no.

THE WITNESS: Okay. No.

BY MR. TEIN:

Q. Now you can explain the answer that your counsel stopped you from explaining.

A. Okay. I work at [redacted] and people were telling me that people were looking for me. So yes, I was aware that people were searching for me, but I had no idea who they were or what their intentions were, but I thought they were just people I didn't want to talk to. So I just didn't want to talk to them. And every time they'd come to work I wasn't there. And so happens the night that they came in me and my friend switched name tags. No big deal.

Q. That's a lie, isn't it?

MR. LEOPOLD: Objection. Don't answer that question. That's harassment and I will not allow it. He could ask the questions and we'll allow a jury to make that determination, but not counsel.

I will not allow her to answer that question.

MR. TEIN: Certify it.

MR. LEOPOLD: I'll certify it.

..................CERTIFIED QUESTION..................

She's answered that question. She's explained it five times already. The fact that Counsel doesn't like the answer, that's a different query.

MR. TEIN: Stop making speaking objections.

MR. LEOPOLD: I'm not. I'm not going to put up with it, because it's in appropriate, Jack, and you know it. I will not allow Counsel to berate a witness, whether it's in a criminal case or a civil case, whether my client or --

MR. TEIN: Calm down.

MR. LEOPOLD: Excuse me.

No, I'm not going to allow it. That is not proper.

MR. GOLDBERGER: Okay.

MR. LEOPOLD: If he wants to say that she's lying after asking it five times and her explaining in great detail, he can do that. But I'm not going to allow her to answer, nor be harassed by him. It's improper.

MR. GOLDBERGER: Okay. But your response that Counsel doesn't like the question -- or doesn't like the answer -- just let me finish.

MR. LEOPOLD: Absolutely. I wasn't going

to interrupt you.

MR. GOLDBERGER: Just requires us to say we like the answer to that question. And it's not you and I or you and Mr. Tein who are testifying here. It's the witness.

MR. LEOPOLD: Fine. But after the sixth time of asking the same question and then coming back and pointing a finger at her and saying, you're a liar --

MR. TEIN: That didn't happen.

MR. LEOPOLD: That's fine. But I'm not going to allow her to answer that question because she's answered that same question and has explained it.

Now Counsel might be sitting there rubbing his head with a migraine. That's his problem. But if he can't ask a question appropriately in a professional manner, we will leave. I will not allow her to be berated like that.

MR. GOLDBERGER: Actually, we're very happy with the answer.

MR. LEOPOLD: That's great.

MR. GOLDBERGER: Do you want us to get into that?

MR. TEIN: Ted --

MR. LEOPOLD: This is really big stuff that you're going through, but that's fine; just ask your question and move on. But do it one time. If you don't understand it, I'll let you follow up, but I'm not going to allow you to ask the same question the time and again and then call her a liar. Just ask the question, get the answer and move to the next subject matter.

MR. TEIN: Ted, I'm sitting right across the table from you.

MR. LEOPOLD: Yes, sir.

MR. TEIN: Please be quiet. Don't yell.

MR. LEOPOLD: I will not be quiet.

MR. TEIN: Stop yelling.

MR. LEOPOLD: Lewis, when I'm yelling you'll know it. I will not --

MR. TEIN: My name is not Lewis.

MR. LEOPOLD: I thought your first name was Lewis, Mr. Tein.

MR. TEIN: You watched me for three days at the evidentiary hearing where you sat in the back of the courtroom. You should know who I am.

MR. LEOPOLD: Well, that's the impression you must have made in the courtroom.

I will not be quiet.

MR. TEIN: That's obnoxious. Stop being obnoxious. It's stupid. Let's go ahead with the questions.

MR. LEOPOLD: I will make the record.

MR. TEIN: Let's get on with the questions.

MR. LEOPOLD: Do you need a break?

(Thereupon, a recess was taken.)

BY MR. TEIN:

Q. Okay. [redacted] after you told your manager at the [redacted] everything that was going on and he told you he would help you any way he could, he hid you in the kitchen from the process servers, correct?

A. Incorrect.

Q. Isn't it true that lying to avoid service is a meaningless lie to you, [redacted]?

A. Incorrect.

Q. What is your manager's name?

A. I have three. Would you like to know all --

Q. Who's the one who lied for you?

A. Justin.

Q. And what did Justin do to lie for you?

A. Said I wasn't there.

Q. And who did he tell wasn't there?

A. Ask him.

Q. Where were you when Justin told this someone that you were not at the [redacted]?

A. Eating nachos.

Q. At the [redacted]?

A. Yes.

Q. What did you do so that Justin would lie to the process servers for you?

A. Nothing.

Q. You just got him to lie for you, didn't you?

A. No. I had no influence on him saying I wasn't there.

Q. He took that upon himself?

Isn't it true that Mr. Epstein's process servers had to ask the police to get you out of the restaurant so that they could serve you?

MR. LEOPOLD: Objection. Lack of foundation, predicate.

BY MR. TEIN:

Q. You can answer the question.

MR. LEOPOLD: If you know. Don't guess.

THE WITNESS: No. Can you repeat the question?

MR. TEIN: Don't coach.

MR. LEOPOLD: Don't guess.

MR. TEIN: That's a coaching.

MR. LEOPOLD: No. That's an instruction to the client.

MR. TEIN: No. You don't do that.

THE WITNESS: Can you repeat the question?

MR. LEOPOLD: Let me just state for the record --

BY MR. TEIN:

Q. Once the police -- isn't it true that Mr. Epstein's process serves had to ask the police to get you out of the restaurant so that they could serve you?

A. Incorrect. My boss called the police.

Q. And once the police showed up, to stop you from lying to avoid service, you made up another lie that the process servers had harassed you. Isn't that correct?

A. Incorrect.

Q. You lie all the time, don't you?

MR. LEOPOLD: Objection.

THE WITNESS: Incorrect.

BY MR. TEIN:

Q. You have a MySpace page, don't you?

A. No longer do I have a MySpace page. I deleted it.

Q. When did you delete your MySpace page?

A. A couple days ago.

Q. Who told you to take your MySpace page down a couple of days ago?

A. Nobody. I'm sick and tired of MySpace.

Q. You all of a sudden got sick and tired of MySpace and just a few days before this deposition you decided to delete your MySpace page, correct?

A. Correct.

Q. Is that your testimony under oath?

A. Yes.

Q. Did you take your MySpace page down because you thought the government might subpoena it?

A. Incorrect.

Q. Hadn't your MySpace page been up for over three months before you took it down?

A. Correct. But I also had made tons of MySpaces over the last years. I just get tired of them and delete them because drama and make new ones.

Q. We're going to talk about that.

So you deleted your MySpace page after you were already under subpoena for this deposition, correct?

A. Correct.

Q. What about the MySpace page didn't you want us to see, [redacted]?

A. Nothing.

Q. Well, we're going to come back to MySpace in a second.

A. You do that.

Q. [redacted] I'm going to ask you some questions about why you lie about your age so often, okay?

MR. LEOPOLD: Objection to the form. Argumentative.

BY MR. TEIN:

Q. You lie about your age all the time, don't you?

MR. LEOPOLD: Objection, argumentative.

THE WITNESS: Incorrect.

BY MR. TEIN:

Q. You lie about your age to get body piercings, don't you?

A. Incorrect.

Q. You have body piercings, don't you?

A. Yes.

Q. You have four body piercings; isn't that right?

A. Five.

Q. Other than the pierceings on your ears -- I'm not talking about that --

A. Oh, then no; just one.

Q. And where is the one body piercing?

A. Belly.

Q. When did you get that?

A. For my birthday, with my stepmother and my father.

Q. And when was that?

A. When I was 14.

Q. Okay. So you had that body piercing when you met Epstein, correct?

A. It might have been, or maybe that -- yeah, either my 14th birthday or my 15th. I honestly don't remember.

Q. Now you've lied about your age to get into bars by using driver's licenses that aren't yours, correct?

A. Incorrect.

Q. Are you swearing under oath that you've never done that?

A. Yes, I swear under oath.

Q. And you've lied about your age to buy beer, correct?

A. Incorrect.

Q. You're swearing under oath that you've never lied to stores about your age?

A. I've never lied to a store about my age or anything.

Q. You try to look much older than you are, don't you?

A. Incorrect.

Q. And you've lied about your age on your MySpace pages, don't you?

A. Incorrect.

Q. All right. Let's look at Exhibit 26-01 one.

MS. BELOHLAVEK: 26-001?

MR. TEIN: Yes.

BY MR. TEIN:

Q. On this page you lied to everyone that you were 18, didn't you?

A. Correct.

Q. Let's go to Exhibit 33.

MS. BELOHLAVEK: That's 33-001?

TEIN: Correct.

BY MR. TEIN:

Q. On this page you lied to everyone that you were 19, didn't you?

A. Incorrect.

MR. LEOPOLD: Just answer the question.

THE WITNESS: Oh, incorrect.

BY MR. TEIN:

Q. Now you can explain your answer.

A. I know that I have seen all of these and I know that this one is mine.

Can you go down?

MR. LEOPOLD: Just for the record, you're pointing to the photo.

THE WITNESS: I'm pointing to --

BY MR. TEIN:

Q. You're pointing to the one where it says you're age is 18?

A. Correct.

Q. That's yours, right?

A. Correct. That's mine from a couple years ago that I have not been on base I don't use that. Please keep going down, please. And I think that's it, because there's no one -- just that one is mine.

Q. So the one you pointed to where it says your age is 18, that's yours, correct?

A. Correct.

Q. And when you wrote 18 as your age on your MySpace page, that was a lie, wouldn't it?

A. Correct.

Q. Did you lie about your MySpace page back then because you couldn't post on MySpace unless you were 18?

A. Correct. There was a rule many years ago that you had to be 18 to have a MySpace.

Q. So you lied about your age so you could post on MySpace, right?

A. Yes.

Q. Let's go back to the top one on this page, 33-01.

Are you testifying now under oath that this MySpace page where the headline says, "Twins do have more fun," and the location is given as Lox, abbreviation for Loxahatchee, and the age is 19, and it says [redacted] [redacted] is it your testimony that you did not post that?

A. Correct.

Q. Now let's go back to the one that you were pointing to before on this page, where it says your age is 18 and you lied about your age to post MySpace, okay?

A. Uh-huh, yes.

Q. All right. Why did you finally put your true age on your MySpace profile four days before you were scheduled to testify before the Grand Jury?

A. I don't know what you're talking about.

MR. LEOPOLD: If you don't understand, ask him to ask the question again.

MR. TEIN: Don't coach.

THE WITNESS: I don't know which MySpace you're talking about.

BY MR. TEIN:

Q. The MySpace page that you're just pointing to, where it says you were 18.

A. Yes.

Q. And you were lying about your age, right?

A. Uh-huh.

Q. Why did you finally post your true age on your MySpace profile --

A. Uh --

Q. -- four days before you were scheduled to testify before the Grand Jury?

A. I honestly don't know which MySpace, because I've had like a bazillion MySpaces and in that year, I had two, that one and another one and that one's been deleted. So I don't know which one you're referring to.

Q. You remember that you changed your age on your MySpace page from 18 to your true age just four days before you went and testified in the Grand Jury?

A. No.

Q. You don't remember that.

A. No.

Q. Do you remember Detective Recarey? Did you ever meet a Detective Recarey?

A. I don't know the names.

Q. How many different detectives have you met with on this case from Palm Beach?

A. Probably a good six or seven, maybe.

Q. Did one of the detectives tell you before you testified in the Grand Jury that you should take your MySpace age and put your true age?

A. No.

Q. Didn't Detective Recarey have to come to your house to pick you up to get you to testify in front of the Grand Jury?

A. Possibly, maybe because I didn't have a ride. I was only 14 or 15 at the time.

Q. Your mom didn't drive you?

A. No.

Q. Stepmom didn't drive you?

A. I think my dad. Oh, my dad / my dad drove me.

Q. Your dad drove you?

A. Yes, sir.

Q. So your testimony is Detective Recarey did not drive you, correct?

MR. LEOPOLD: Objection /asked and answered.

THE WITNESS: No. I'm pretty sure my dad

drove me because he was there with me.

BY MR. TEIN:

Q. Did any detective tell you to change your age on your MySpace page to put your true age?

A. No, sir.

Q. Now you also lied on your MySpace page about your income, didn't you?

A. Yes.

Q. And you lied, saying that you made a quarter million dollars a year and higher, correct?

A. As a joke, yes.

Q. That was a lie, wasn't it?

A. Yes.

Q. And you also lied on your MySpace page, saying that you were married, didn't you?

A. Possibly. And that might have been an error on my part.

Q. Now you also lie to the police, don't you?

A. No.

Q. Well, you lied to the police in your tape-recorded statement that you gave to Detective Michelle Pagan three years ago, didn't you?

A. To my knowledge, no, I did not.

Q. Well, you lied to the police when you accused Mr. Epstein of attempting to murder your father,

didn't you?

A. No. I never heard a statement saying that Mr. Epstein tried to murder my father.

Q. You made that statement, didn't you?

MR. LEOPOLD: Do you have a statement to show her? That's been asked and answered.

MR. TEIN: I'm sorry. I didn't hear the witness' answer, Mr. Leopold.

BY MR. TEIN:

Q. [redacted] you told the police, didn't you, that Mr. Epstein almost killed your father, didn't you?

A. No.

Q. Three years ago, before Mr. Epstein even knew about this investigation, you told the police that Epstein had "already come to my dad's house and did something to my dad's tires and my dad almost died. I didn't want my dad to get hurt, because Jeff already almost killed him."

Didn't you say that?

A. Not to my knowledge or recollection. I have never said anything like that.

Q. That would have been a complete lie, wouldn't it have been?

A. Yeah.

Q. Because Mr. Epstein never came to your

dad's house, correct?

A. Correct.

Q. And no one who worked for Mr. Epstein ever did something to your dad's tires. Did they?

MR. LEOPOLD: Objection. Lack of foundation, predicate.

Don't guess.

BY MR. TEIN:

Q. It's not true that Mr. Epstein almost killed your father, is it?

MR. LEOPOLD: Objection. Asked and answered, lack of foundation, predicate.

BY MR. TEIN:

Q. You can answer.

A. No.

Q. Now you told the police that you didn't know who was in the car with you and Hayley on the day you went to Epstein's house, didn't you?

A. Yes.

Q. And that was a lie, wasn't it?

A. It's the truth.

Q. You told the police that there was someone in the car next to you and you specifically said you didn't know her name, right?

A. Correct. I do not know her name.

Q. You said, "I don't know her name, but she was dark like a Spanish girl." Those were your words, right?

A. Yes.

MR. LEOPOLD: Objection. Asked and answered.

BY MR. TEIN:

Q. Who was in the car that day with you and [redacted]?

A. Again, I do not know.

Q. It was your good friend [redacted], wasn't it?

A. No. I don't know a [redacted].

Q. You lied to the police about who was in the car with you and [redacted], didn't you?

A. Incorrect.

Q. Let me ask you some questions about who you may have spoken to about this case. All right?

A. Go ahead.

Q. Did you speak to your [redacted] sister [redacted]?

A. Not in detail, but of course she knows; she's family and yes.

Q. What's her e-mail?

A. I don't think she has an e-mail.

Q. What is her phone number?

A. Oh, gosh. I don't know off the top of my head.

Q. And what is her home address?

A. She lives with my mom.

Q. In Georgia?

A. Yes, sir.

Q. What about [redacted]'s boy friend Paul? Did you speak to him about Epstein's case?

A. That's my mom's boy friend. My sister doesn't have a boy friend. My mom's husband's name is Paul, so maybe you get them confused.

Q. Do you know his phone number?

A. No.

Q. Where does he live?

A. With my mom.

Q. In the same house with her?

A. Yes. They're married.

Q. So not boy friend; husband?

A. Yeah, husband.

Q. Have you spoken to Brett [redacted] about what happened in Mr. Epstein's house?

A. Not in detail, but he knows the basics, yes.

Q. What is his e-mail?

A. I don't know.

Q. What is his phone number?

A. How is that relevant?

Q. What is his phone number?

A. [redacted]

Q. What is his home address?

A. I don't know.

Q. Where does he live?

A. In [redacted] somewhere.

Q. Ever been to his house?

A. Yes.

Q. You don't know what his address is?

MR. LEOPOLD: Objection. Asked and answered. She just said she doesn't know.

MR. TEIN: Don't coach.

MR. LEOPOLD: Objection. Asked and answered.

BY MR. TEIN:

Q. You can answer the question.

A. I don't know the exact address.

Q. What street is it on?

A. It's an apartment complex; its not a street.

Q. What's the name of the apartment complex?

A. [redacted]

Q. What apartment number is it?

A. I couldn't tell you.

Q. When was the last time you went there?

A. Just visited this past weekend. That's the first and last time I went there.

Q. How about Steven [redacted]? Have you spoken to him about your case?

A. No. We no longer speak.

Q. What's his phone number? Actually, we already have his phone number room and e-mail.

How about [redacted]? Have you ever spoken to her about your case?

A. I don't know an [redacted].

Q. Have you ever met [redacted]?

A. No. But just to let you know, I don't really know names. If you have pictures, of there faces I could tell you.

Q. All right. Let me see if I can refresh your memory.

A. Okay.

Q. Does it refresh your memory that [redacted] is the other girl who made allegations about Epstein, but refused to show to the Grand Jury when she had to testify about them under oath?

A. No, sir. I have no knowledge of any other girls in this whole situation. We're not allowed to know

each other.

Q. I didn't get the last four words.

A. We're not allowed to know each other.

Q. And what about [redacted]? Have you of met her?

A. No, sir.

Q. Let's see if I can refresh your memory on her. She's the other person represented by your lawyer Mr. Herman, who is suing Epstein for fifty million dollars.

A. I have no knowledge of her.

Q. Never met her?

A. Never met her.

Q. Tony [redacted]?

A. I don't know who that is either.

Q. A person named Anthony who knows [redacted]? Is that Tony [redacted]?

A. I don't know, sir.

Q. Do you remember making a statement to Detective Pagan that's in the police reports?

A. No.

Q. Have you read the police reports in this case?

A. Yes.

Q. They're on the Internet, right?

A. Yes, I think.

Q. Were you surprised when the police reports were released on the Internet containing your statements that you had made to the police?

A. Yes.

Q. You didn't want to see that happen, right?

A. No.

Q. So you're saying you don't know a Tony [redacted]?

MR. LEOPOLD: Objection. Asked and answered.

BY MR. TEIN:

Q. Does it refresh your memory that he was somebody who had gone to jail for drugs and car theft?

A. No, sir.

Q. Someone who knows [redacted]?

A. No.

Q. You don't know if he met with Detective Recarey?

A. No, sir.

Q. How about Zack [redacted]?

A. Yes, I remember. I know who that is.

Q. Did you ever speak to Zack [redacted] about what happened at Mr. Epstein's house?

A. He knows what happened four years ago. He

doesn't know this is still going on today.

Q. What's his address? I'm sorry. I have his address.

A. I don't know.

Q. How about Nick [redacted]?

A. [redacted]?

Q. You know who that is?

A. I know who that is, yes.

Q. He's the one you stayed out drinking all night one night last year when your dad reported you missing?

A. No, sir.

Q. Remember the baseball game you were supposed to go to?

A. No, sir.

Q. Did you speak to Nick [redacted] about this case?

A. No, sir.

Q. How about Patrick [redacted]?

A. That's my sister's ex-boy friend.

Q. He's the one with the sawed-off shotgun with the obliterated serial number?

A. Ask him. I would not know that information.

Q. Did you speak to Patrick [redacted] about this

case?

A. No, sir.

Q. Have you spoken to John [redacted] about this case?

A. No. I don't know who John [redacted] is.

Q. Did your parents speak to John [redacted]?

A. Ask my parents.

Q. Let's see if I can refresh your memory as to who he is. Okay?

A. Uh-huh.

Q. He's the Vanity Fair reporter who made a financial arrangement with your father.

A. I am aware of that. And again, I was not aware like that my dad did it until after it was done and I don't know the details about that. I just know what you know about that, like that they talked.

Q. Tell me what you know about the financial arrangement that John Connolly the Vanity Fair reporter made with your father.

A. I don't know about the details at all.

Q. How much money did John Connolly give to your father?

A. I don't even know he gave money to my dad.

Q. I'm sorry?

A. I didn't even know he gave money to my dad.

Q. What do you know about the deal that John Connolly has with your father?

A. I only know they spoke on the telephone once. I don't know anything else.

Q. When was that?

A. This was a while ago, a year or two or a year ago. I honestly don't know.

Q. Did John Connolly the Vanity Fair reporter offer any money to your father?

A. I don't know.

Q. Did John Connolly, the Vanity Fair reporter, give you any money?

A. No, sir.

Q. Did he offer you any money?

A. No, sir. Never spoke to him.

Q. What reporters have you spoken to?

A. Zero.

Q. What about your family members? What reporters have they spoken to?

A. The whole Palm Beach County, obviously, as you can see in that newspaper.

Q. Tell me -- let's go through each one that you remember. Other than the Vanity Fair reporter, John Connolly, what other reporters have any member of your family spoken to?

A. I don't know. And I know my mom has spoken to zero. My sister spoke to zero. My father and stepmother, I wouldn't know. You'd have to ask them. I don't contact them.

Q. Well, I just want to know -- I don't want you to -- I want to know what's in your mind? All right?

MR. LEOPOLD: She just told you. She just answered --

MR. TEIN: Be quiet.

BY MR. TEIN:

Q. What I want to know is what you know from your personal knowledge. My opinion question to you is: What knowledge do you have about family members of yours speaking to reporters?

MR. LEOPOLD: Objection. Asked and answered.

And if you can't talk professionally, we're going to leave.

MR. TEIN: Do what you want to do.

MR. LEOPOLD: Are you going to continue to talk this way?

MR. TEIN: I'm not going to answer any question that you ask me, Mr. Leopold.

MR. LEOPOLD: Okay.

MR. TEIN: But you are misrepresenting the

record and you are grandstanding for your client and it's wrong. So be quiet. And you know how to make an objection. Make it. Otherwise stop talking.

BY MR. TEIN:

Q. Saige --

MR. LEOPOLD: Excuse me.

MR TEIN: If you want to leave the

deposition, leave. But you'll be back here.

MR. LEOPOLD: Excuse me. If I could just make the record, instead of interrupting me, please, that's what we do professionally. There's a recorder here. I'm certainly not being obstructionist. I'm going to make the record. But we're going to act with some semblance of professionalism, hopefully, by all parties in the room. That goes to me, that goes to your co-counsel sitting behind you and next to you, the court reporter and everyone else in the room. Everyone goes entitled to that.

You've asked a question. She answered the question fully and she's not going to be harassed because you don't like the answer. If you want to follow up --

MR. TEIN: Stop engaging me. Make your

speech and then we'll ask the questions.

MR. LEOPOLD: Well, you won't let me finish making the objection, so it's difficult to do that. But if you want to follow with an appropriate question, feel free to do that. But we're not going to harass the witness.

MR. TEIN: I disagree with everything you've said. Let's ask the questions. Okay?

MR. LEOPOLD: Ask an appropriate question.

MR. TEIN: Are you going to stop talking?

MR. LEOPOLD: I'm going to make -- protect my client and make appropriate objection, but there's not a question pending right now.

BY MR. TEIN:

Q. [redacted] has [redacted] spoken to any reporters?

A. No.

MR. LEOPOLD: Objection. Asked and answered.

BY MR. TEIN:

Q. Has [redacted] been given money by any reporters?

A. No.

Q. Has your mom spoken to any reporters?

MR. LEOPOLD: Objection. Asked and answered.

THE WITNESS: No.

BY MR. TEIN:

Q. Has your mom's husband Paul spoken to any reporters?

A. No.

Q. Has your mom's husband Paul received any money from reporters?

A. No.

Q. Are you sure you don't know [redacted]?

MR. LEOPOLD: Objection. Asked and answered.

THE WITNESS: I'm positive.

BY MR. TEIN:

Q. I'll try again to refresh your memory.

A. Okay.

Q. Does it refresh your memory that she had been arrested for drugs and was cooperating with

Detective Recarey against Epstein to get herself a better deal?

A. No. I don't know who she is.

Q. Have you spoken to anyone else who's been at Epstein's house?

A. No.

Q. Without telling me what was said -- I don't want to know about any conversations with any lawyers,

okay --

A. Uh-huh.

Q. -- did you or your parents speak to any other law firms besides Mr. Herman and Mr. Leopold's law firms?

A. No.

Q. Now without telling me about anything that was said, what -- did one just come to mind?

A. No. I was thinking about something else.

Q. What were you thinking about?

A. Does family court matter?

Q. Okay. Without telling me what was said, who prepared you for todays deposition?

A. What do you mean prepared?

Q. Did you talk about this deposition, about what would happen, with anybody?

A. Yes.

Q. Don't tell me what was said?

A. Okay.

Q. I'm not asking that. I don't want to know that.

A. Okay.

Q. Who prepared you for today's deposition?

A. Mr. Leopold.

Q. Anybody else?

A. No.

Q. When did you meet with Mr. Leopold to prepare for today's deposition?

A. This morning.

Q. And how long did that meeting last?

A. Until it started.

Q. Now you told me that you previously had read the police reports in this case?

A. Yes.

Q. Have you read your statement that you gave to the police?

A. Yes, sir.

Q. And in what form was that statement?

A. What do you mean?

Q. Was it in the form of a police report or a transcript?

A. What's the difference?

Q. A transcript has questions and answers on it. A police report is just typed out narrative.

A. Oh, it's a police report.

Q. And when did you read the police report?

A. A few days ago. I overread it a few days ago.

Q. Had you read it before that?

A. No.

Q. Now you told me -- again, I don't want to know what was said.

A. Uh-huh.

Q. You told me that you met with Mr. Leopold this morning to prepare for your deposition, right?

A. Yes.

Q. When did you set up that meeting with Mr. Leopold to take place this morning?

A. Gee, like, like five days ago, four days ago.

Q. So you're aware that Mr. Leopold told us that he could not start the deposition this morning because he had a court appearance, correct?

MR. LEOPOLD: Don't answer that question.

Calls for attorney/client communications.

BY MR. TEIN:

Q. Have you seen the letter that Mr. Leopold wrote to us stating that he -- an e-mail that Mr. Leopold wrote to Mr. Goldberger stating that he could not be here this morning because healed a court appearance? Did you see that e-mail?

MR. LEOPOLD: You can answer that question.

THE WITNESS: No.

BY MR. TEIN:

Q. Have you listened to your tape-recorded

statement to the police?

A. Yes.

Q. Where did you listen to that?

A. In, I think, this building. I don't know.

It was here.

Q. When did you listen to that statement?

A. This morning.

Q. And who was present when you listened to that statement?

A. Mr. Leopold -- and I forget your name.

MR. GOLDBERGER: Ms. Belohlavek.

THE WITNESS: Ms. Belohlavek.

BY MR. TEIN:

Q. And you hadn't listened to your statement before that, correct?

A. No, sir.

Q. Have you met with lawyers representing anyone else suing Epstein?

A. No, sir.

Q. How many times have you spoken to officers with the Palm Beach Police Department?

A. More than I like can count. It's been ongoing for four years, so quite a few times.

Q. When was the last time you spoke with officers of the Palm Beach Police Department?

A. A while ago. I'd say a year ago.

Q. A year ago?

A. Yeah. Maybe a year and a half.

Q. Do you remember Detective Recarey?

A. No.

Q. Do you remember Michelle Pagan, Detective Pagan?

A. Yes.

Q. How many times have you spoken to Detective Pagan?

A. She was the only one I spoke to about this until for some reason she wasn't on the case anymore.

Q. When was that?

A. The first meeting I ever had was with her and then I think like I met with her like 10 times or 12 times or something like that, and then I didn't get -- another investigator questioned me after that.

Q. And who was that?

A. I don't remember.

Q. And what type of questions did they ask you?

A. The same.

Q. The same questions all over again?

A. Basically.

Q. How many taped statements have you given to

the police?

A. One that I know of.

Q. Just the one with Detective Pagan?

A. Yes, sir.

Q. How about to the FBI? Did you give any statements to them?

A. No. Well, actually. I don't really remember if that was taped or not to be honest with you. I had one meeting with them at my house and don't know if it was taped.

Q. You were interviewed at [redacted] house?

A. No. That was by the lawyer.

Q. Oh, boy the lawyer?

A. Uh-huh.

Q. Where did the conversation that you had with the FBI take place?

A. At my father's residence.

Q. Which is where?

A. On Downers in Loxahatchee.

Q. On where?

A. Downers Road in Loxahatchee.

Q. And when did that take place?

A. I'd have to say like a year and a half ago, a year ago. It was a long time ago.

(Discussion held off the record.)

MR. TEIN: Tell me the last answer, please.

(Thereupon, a portion of the record was read by the reporter.)

BY MR. TEIN:

Q. And who was present when the FBI spoke to you at your father's house?

A. My stepmother was there, but she wasn't around. She made herself like do other things.

Q. And how many FBI agents were there?

A. I think four.

Q. And you don't remember any of their names?

A. No, sir.

Q. And were there any lawyers there?

A. Not that I know of.

Q. And none of them gave you their cell phone numbers?